

Office of
Berkeley County Prosecuting Attorney

BERKELEY COUNTY COURT HOUSE
100 W. KING STREET
MARTINSBURG, WEST VIRGINIA 25401

DIANA COOK RISAVI, PROSECUTOR
CYNTHIA A. GAITHER, ASSISTANT
JANET A. SCALIA, ASSISTANT
PAMELA JEAN GAMES-NEELY, ASSISTANT
SHARON L. POTTER, ASSISTANT

(304) 267-3000. EXT. 143
FAX (304) 267-9723

September 12, 1991

William R. McCune, Esquire
Attorney at Law
300 Foxcroft Ave.
P. O. Box 1068
Martinsburg, WV 25401

Re: Casalaro Investigation

Dear Richard:

As a follow-up to a general discussion we had on Saturday regarding Danny Casalaro's death and whether or not his financial status had any bearing on the events, I would greatly appreciate the cooperation of Dr. Casalaro in providing to us the following documents:

1. Copy of the Will.
2. Copy of First Mortgage and Copy of Second Mortgage.
3. Copies of phone records from January '91 through August '91.
4. Copies of Life Insurance policies.
5. Copies of Income Tax returns for the last two years.
6. Copies of Bank Statements and cancelled checks from January '91 through August '91.
7. Any copies regarding the sale of the victim's land and property.
8. Copies of credit and bills, utilities and any other loans made to the victims.
9. Copies of victim's medical records.

As you know, it is equally important to consider factors which may either include or exclude a particular theory regarding the manner of death. We believe a review of these documents will aid in this consideration. I will await to hear from you.

Very sincerely yours,

Diana

DIANA COOK RISAVI,
Prosecuting Attorney of
Berkeley County, West Virginia

AUG-14-91 WED 10:11

JUL 22 '91 15:17 AT&T

P.2/6

TO HERB KARLITZ 718-937-1800
FAX 718-937-2051
July 22, 1991

Dear Herb:

I have purposefully left out ~~some~~ ^{Some} names in the CAST OF CHARACTERS for separate reasons. I will tell you those names and the reasons when we talk.

This is my final week for these marathon hours over the last 11 months. Encountering this odyssey, meeting it with my whole life, is to grapple with something personal since I've risked everything. By Friday, I have to come up with about \$5000 to just cover my mortgage payment and my real estate taxes and, in September I'll be looking into the face of an empty train. Father, what will I do?

Well, I feel the happiness that an eskimo must feel when he catches fresh bear tracks when he's ahead of all the other sledges. The way it has happened.

Best regards, Danny

J. DANIEL CASOLARO

OBJECTIVE A challenging and rewarding Executive position *managing a media operation* in which extensive press experience, organizational skill and creative story development are required.

SUMMARY Twenty years of experience in all forms of media including general editorial newspapers and magazines, scientific journals and film. A proven track record of success in story development, investigative reporting, managing assignments, and publication development. Some knowledge of French and Spanish having lived in France and South America.

EMPLOYMENT **Author, Editor & Publisher, Reporter**

1989-Present	Developed a life sciences research project; contributed to the most comprehensive toxic substance analysis (on any chemical) ever developed; wrote and edited the Avionics Report and Helicopter News .
1976-1989	Editor & Publisher, Computer Age Publications
1976-1986	Editor/Reporter, Washington Crime News Services , (<i>a sister organization to Computer Age</i>)
1970-1976	Washington Correspondent
1969-1970	Bureau Chief, Globe Newspapers

EXPERIENCE

- ▶ Developed, edited and published defense, scientific and computer publications including a daily, a weekly, two bi-weeklies and five monthlies.
- ▶ Established a news bureau, hired and trained reporters, produced feature stories, and participated in some of the most important investigative efforts of the last 20 years, for newspapers and scientific journals.
- ▶ Served as correspondent and columnist for **World News**, **Home & Auto**, **El Dorado News Times**, **Media Horizons**, **Globe Newspapers**, **Providence Journal**, and the **Rhode Island Review**.

BOOKS *The Ice King* (Novel - 1981)
Makes Me Think of Tall Green Grass (Collection of Short Stories - 1973)

FILMS *To Fly Without Wings* (Contributor - 1980/Narrated by Orson Welles)
Rain for a Dusty Summer (Initial Film Treatment - 1972)

AFFILIATIONS Author's Guild and U.S. Congressional Press Gallery ... Associated Business Writers of America and the Society of Professional Journalists.

EDUCATION St. Leo College (1964-1965)
Providence College (1965-1968)
University of Paris, Special Study (1966)

April 20, 1991

Dear Herb:

I am enclosing the update you requested on my trip to Seattle. But I must explain how much deeper in debt I am. Every month that goes by without income puts another \$4500 or so on my liability just keeping my family and self alive. On top of that, my mortgage which is now up to \$300,000 is scheduled for final payment in September 1991. If I could hit it with a major payment (say a third) and justify continuing income I'll probably be okay because I'll be able to get another mortgage.

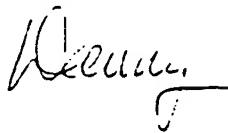
The itinerary for research completion is Arkansas, Louisiana and Florida (extensions of Barry Seale's operations and lengthy interview with Sarkis Soghanalian) — one week; Lexington, Kentucky to meet Charlie Hay and visit again with Ari Ben Menashi — 2 days; Denver, Colorado to meet pilot Heinrich Rupp and businessman Bill Kilpatrick — 3 days; Las Vegas to meet closed source — 1 day; Indio, Calif to the Indian reservation and to meet homicide investigators — 3 days; Santa Monica and Long Beach, Calif. to meet one closed source and arms specialist Peter Zokoskey — 2 days; San Francisco to meet homicide investigators — 1 day; Portland, Oregon to meet with Richard Brenneke — 1 day; Seattle to meet again with Michael "Danger Man" Riconosciuto in his jail cell presumably — 1 or 2 days; Costa Rica — 2 days; Chile to meet Carlos Carduen — 2 days; Sidney, Australia to meet Bernie Houghton and Royal Commission investigators and others — 7 days; Thailand, Burma and Laos to meet with tribal leaders and scholars — 14 days; Kuwait City, Saudi Arabia, Egypt and Tunisia and Israel — 14 days; Brussels — 2 days; Zurich — 1 day; London — 2 days; Quebec to meet Michael Hand (this will require help of two sources) — 2 days; Marion, Ohio to meet Edwin Wilson in prison — 2 days.

All travel will be wrapped up in eight weeks or less after which I will return home for about two weeks of study and outlining for both book and film. I could compress actual writing time to four months to have the manuscript complete by the end of 1991.

Only a few characters will emerge at the end of my research around which the entire story will develop for both book and screenplay. If I'm not given the authority for a screenplay (due to my lack of credentialed experience), my urgent suggestion is to make sure a screenwriter is assigned to me for at least some of the travel and research. I think this story will be taut and dramatic and I want that control necessary for the film to insure its effectiveness.

I understand from Danny Sheehan at the Christic Institute here in Washington, D.C. that Oliver Stone has expressed interest in the subject matter. Sheehan has defended publication of the Pentagon Papers, won the suit for the Karen Silkwood case and is today pursuing the La Penca lawsuit, now before the 11th Circuit Court of Appeals in Atlanta, exposing the Contra-Cocaine network of former intelligence officials, Cuban exiles and mercenaries. Several tentacles of the octopus I'm working on coincide with the Christic Institute's investigation and lawsuit. I also understand that Bruce Springsteen, Jackson Browne and Bonnie Raitt put on a concert for the Christic Institute in recent months. I bring these items up to let you know that I think there's real interest in this investigative effort that could multiply in the months ahead.

With best regards,



J. Daniel Casolaro
11626 Pine Tree Dr.
Fairfax, Va. 22033
Tel. (703) 273-7614
(703) 273-7620
(703) 425-9781 (recorder)

UPDATE ON THE PURSUIT OF THE TAPE &

The Jailing of Danger Man

It is a pale moon that illuminates the characters in this story. With chords of fear and longing, it is a world of darkness and betrayal that everyone thinks they know but few have seen. The real faces in this world are all too human, however. Danger Man's mind is as willful and fragmented as the script he lives and the land he travels. The background music no longer keeps a tune to the oath of patriots but T.S. Eliot's Gerontion: "Think/neither fear nor courage saves us. Unnatural vices/are fathered by our heroism. Virtues/are forced upon us by our impudent crimes."

These crimes are the subject of this update and a brief capsule seems as hopeless as carving the Bill of Rights on the head of a secret agent. For, like the enormous Danger Man himself, this story resists shrinkage. Its events are too current, its local color too feverish.

The sun had burned away the morning fog when I arrived in Seattle on Easter Sunday, bound for Everett, some thirty miles away. I had come to visit and retrieve a tape recording from the intriguing Danger Man himself, 43 year old Michael J. Riconosciuto, whom lawmen had deposited in the Snohomish County Jail in Everett, Washington.

The tape that Danger Man had recorded a month earlier, he alleged, was a direct threat from a former Justice Department official describing two legal entanglements that were about to befall him if he cooperated with a mushrooming Capitol Hill inquiry. If this tape was retrievable, I knew this scandal was about to be publicly born.

It was during the last year that I began calling Michael "Danger Man. During hours of telephone calls from him, he had told me in exotic detail of his participation in "an enterprise" that worked its way around the world,

trading in dope, dirty money, weapons, biotoxins and murder for the secrets of the temple. I had been able to unearth some documentation and a number of other people who were willing to provide a rich array of detail regarding Danger Man, his former associates and of the underground empire he described.

But now he had become a key witness in the eight year old legal battle between the Justice Department and Inslaw, a District of Columbia computer company whose software tracking system called PROMIS has been used by law enforcement to track cases and criminals. "But it will track anything once its provided with the rules," Inslaw's founder says.

Inslaw charged, and two courts have agreed, that the software — sell for \$150,000 per user — had been stolen by a handfull of people in the Justice Department in the course of a contract dispute. Now, Inslaw charges, the software has been distributed by profiteers to intelligence and military agencies in, among other countries, Iraq, Libya, South Korea, Israel and Canada. Inslaw's William Hamilton had independently learned from a Canadian official that PROMIS was being used in 900 different locations in Canada.

A little more than a week before his arrest, Danger Man had filed an affidavit in the case on behalf of Inslaw saying that private interests had hired him in the early 1980s to modify the software for Canadian distribution. Those private interests, he told me, represented tentacles of the underground cabal that made its home on an Indian reservation just north of Mexicali. In the affidavit, Danger Man said he was called in February by a former Justice Department official and warned against cooperating with an investigation into the case by the House Judiciary Committee.

He added that the former Justice official told him that if he talk

to investigators, he would be implicated in an unrelated criminal case and would lose another ongoing child custody case.

Late Friday evening on March 29, on the Key peninsula off Puget Sound, Danger Man was arrested for distribution of methamphetamine.

I arrived in Snohomish County two days later on March 31. This is ponderosa pine and giant fir country flanked by the Cascade Mountain range to the east, Port Gardner Bay and the Olympic Mountains to the west with the Snohomish River snaking through the north end of the city of Everett, the county seat.

By late evening, I had been to the jail a number of times and each time Danger Man was refused visitors on the orders of the U.S. Marshall in Seattle. Still, Danger Man was able to find me at a nearby motel and call several times from the jail with cryptic directions for the retrieval of the tape, his expected movement the following day to a federal magistrate in Tacoma and more details about how dangerous he was becoming to the enterprise.

That enterprise moved drugs, guns and money to the ever changing temples of power in different parts of the world, the geography changing with the political climate unless the political climate could be changed to suit the enterprise, according to Danger Man, two other "agents of influence," and a former Israeli agent.

But no one is supposed to talk about it and Danger Man told me again of his best friend Paul who had been murdered in San Francisco almost ten years earlier. "Paul was the best there was as a money mover. The access codes he maneuvered were offshore accounts amounting to over a billion dollars," Danger Man said. "They don't play around. You're just found dead one day."

Traveling to Tacoma with Danger Man's lawyer, I saw seals basking in the only shaft of sun I had seen so far in the Northwest — fat with their of steelhead trout moving to freshwater spawning. We talked of Danger Man's allegations, some documentable, and the tape that both of us had been promised

"Michael sure called this one," the lawyer said.

We arrived in Tacoma just before the 3 P.M. hearing. Danger Man filled the courtroom with his presence. Under six feet tall, he was immense in frame but agile and graceful in movement like some giant white rabbit or perhaps some hybrid fugitive creature related to a fox.

A former Air America pilot who says he may know Danger Man under a name other than Michael Riconosciuto says "He was called 'the Fat Man' in Asia." Richard Brenneke won't even talk about Danger Man over the telephone. (Brenneke's claims through the years regarding his role in an "October Surprise" plot to delay American hostages in Iran until after the 1980 election have been bouncing around for some time.)

The hearing before a federal magistrate in Tacoma concerned bail for Danger Man which was refused. While the complaint charged an isolated incident of distributing drugs on March 29, there were four other dates mentioned in which confidential informants with audio and video recordings were used as well.

The next day — April 2 — I was driven from Gig Harbor to a patch of bog in the peninsula on the reaches of Puget Sound. This is where, I was told, Danger Man had thrown a copy of the tape from a car on the night of his arrest. I was driven up into the hills on the peninsula. Here the high pine trees, mostly wolf pine, and the red cedar stay in the rain shadow. The ground is mostly scrubland and skunk cabbage heavy with the scent of wild herbs and flowers especially in the pouring rain. Many of the people live in huts, some attached to mobile homes, in the backwater of the peninsula. The first man I was to meet on this far end of nowhere was an old, grey-bearded Swede in a wide-brimmed leather hat. He came out of his hut talking in staccato rhythm

and reciting broken poetry. He appeared somewhere between 60 and 70 years of age. "Can you cry?" he asked me. "Then prepare to shed a tear and shed them now," he said. He hardly paused on the hillside in the pouring rain before advising that "The fault is not in the stars. The fault is in ourselves."

When he stopped talking, he started singing and finally I was able to ask if he had a tape for me.

My driver said "No. He doesn't have the tape. We just wanted you to meet some of Michael's old friends."

Sitting side by side under a tarp, the bearded old Swede took me on a compulsory guided tour of Danger Man from the time he was a child winning science fairs to now. Prior to working with the Nobel Laureate at Stanford's Physics Lab at 16 and 17 years of age, he had supposedly already distinguished himself in mining, sonar, lasers and communications. Much of that I had heard before. Nobel Laureate Dr. Arthur Schalow, in a lengthy interview months before, remembered Danger Man well. "You don't forget a 16 year old youngster who shows up with his own Argonne laser," Dr. Schalow had told me. There was an old article about Danger Man when he was 10 years old after he strung up an alternative telephone service in his neighborhood.

The old Swede, Danger Man's father and my driver wanted to make it very clear that this was a person who made very powerful people take notice of him when he was a boy. But why, I asked, would this group pursue him. Everyone, including Danger Man's father, would tell me "To control him." He had been running from that, I was told, since the mid-eighties when he left the Indian reservation. And now he was regarded as a rogue always present a moving target having been harassed through the years by brigades of law enforcement for one charge or another. I had even found an old letter of his dating back to 1982 in which he described having "to present a periscopic im-

to the public."

The rain did not let up as the old Swede danced in the brush. I watched a big jack rabbit dart under and then away from the old Swede's tarp before it limped trembling and hidden in the grass. While some creature are born to hunt, others are born to flee. These are nature's fugitives, and, like the fox, have a curious freedom in the masks they wear and access to obscure regions where no one will follow. Sometimes they have the protective coloring of the hunter but that is the ruse of the fox. They learn that instinctively.

By the end of the week I had trucked back and forth across Puget Sound by daylight and nightfall in an odyssey of pursuit for the tape. I would meet Danger Man in jail and talk with him many times from the Kitsap County jail to which he had been moved on the peninsula.

I had also been placated, I presumed, with documents concerned mostly with weapons, fuel air explosives, documents relating to Gerald Bull, assassinated the previous spring in Brussels, Carlos Carduen in Chile, mining papers, lab papers relating to scientific experiments with lasers, and letters regarding the return of that mysterious billion dollars which Danger Man said had come from the Nugan Hand bank in Australia. I had already seen some of these documents in the months before but now it looked as though the gumshoes from the House Judiciary Committee would also see them.

Two Capitol Hill investigators had arrived on my heels to interview Danger Man. By the end of the week they had arrived in Seattle, had discussed with the U.S. Attorney, and made arrangements to have Danger Man moved.

"I'm screwed," Danger Man said, "don't you see. These guys are my only hope.

NW: 15457 DocId: 70098640 Page 11 "I've come up with the cheapest way to refine platinum there is.

But I'm screwed because they'll try to show that the chemicals I use at the

mine are precursor ingredients to making methamphetamine." The chemicals at one of his labs included, he said, chloracetone, sodium cyanide, nitric acid, ammonium chloride and bags of platinum dust.

If I received the tape, the original, I was to give it to the Judiciary Committee investigators, Danger Man said. I could make a copy for myself, he added, to bring back to Washington, D.C.

The next morning, Danger Man was moved from his cell on the Kitsap peninsula to Seattle where the Judiciary Committee investigators and their stenographer would be interviewing him. I arrived in Seattle and met both investigators. Despite their refusal to let me accompany them on their interview with Danger Man, reached an agreement to engage in dialogue back in the nation's capitol. They spent all day with Danger Man and then, I learned, were provided documents from another repository which I had not seen from Bremerton, Washington at the southern tip of the inlet. Having arrived on the 3rd day of April, both investigators left on the 6th.

By that time, I had learned that federal agents had raided one of Danger Man's labs in the mountainous Pine Creek area west of Tonasket still high with rain and snowmelt as well as his place in Aberdeen, a coastal strip town and still another lab or workplace in Anaheim, California.

I had previously talked to a Denver businessman about Danger Man and his elusiveness. "I watched Mike demonstrate a new laser weapon he had created, the Denver man said, "a want that blew whatever he pointed it at straight up in the air. I Had called a number of high ranking military people and Michael was scheduled to demonstrate this new creation at Fort Hood, Texas. When the time came and we gathered at Fort Hood, Michael just didn't show. That's the way he was then and I don't expect he's any different now."

The beginning of spring always has its moody, bad tempered transition but with the tape never emerging, I was more than a little frustrated and more than doubtful in the tape's existence.

"I hope, for your sake, I'm wrong," I told him when he was back in the jail at Kitsap County.

He was unhappy I was leaving. I could sense his feelings grow mute in embarrassment, everything in him withdrew, a silence arose. I was going to be indulgent with whatever he said which I knew would still leave both of us empty handed; for ultimately, and precisely in the deepest and most important matters, especially if he was telling the truth, he was unspeakably alone.

I returned home the next day.

BEHOLD, A PALE HORSE

A True Crime Narrative

by Daniel Casolaro

©, 1990

Behold, a pale horse and its rider's name was death and Hades followed him, and they were given power over a fourth of the earth to kill with sword and with famine and with pestilence and by wild beasts of the earth

BEHOLD, A PALE HORSE

A True Crime Narrative

An international cabal whose freelance services cover parochial political intrigue, espionage, sophisticated weapon technologies that include biotoxins, drug trafficking, money laundering and murder-for-hire has emerged from an isolated desert Indian reservation just north of Mexicali.

While this cabal continues today, its origins were spawned thirty years ago in the shadow of the Cold War. In recent months, however, some of its members have emerged from the trenches like scarecrows to take gratuitous credit for their roles in delaying the release of the hostages in Iran until after the 1980 presidential election, scuttling and resettling the dope and dirty money schemes of the notorious, Australian-based Nugan Hand Bank, assisting Super Gun maker Gerald Bull who was assassinated last spring in Brussels and for the development and distribution of the Fuel Air Explosive which can pack the power of a nuclear weapon in a shoebox.

I propose a series of articles and a book, a true crime narrative, that unravels this web of thugs and thieves who roam the earth with their weapons and their murders, trading dope and dirty money for the secrets of the temple.

BEHOLD, A PALE HORSE will be a haunting odyssey that depicts a manifesto of deceit, decisions of conscience, good and evil, intrigue and betrayal.

John Philip Nichols found his promised land just north of Mexicali on the wild grasses above the Salton Sea.

He was sixty years old then and the Cabazon Indian reservation on the edge of Sonora was an ideal place for him to nurse his secret self. This is the vast desert emptiness where the yucca reaches nearly forty feet high, where the Mormons saw it as a symbol pointing to the promised land and they called it the Joshua Tree. But the Joshua Tree is an ugly, unsymmetrical lily with burly arms crooked at the elbow and it points everywhere, not unlike John Philip Nichols, as if asking itself "what shall I do next?"

There is a point on the ridge of the Little San Bernardino mountains known as Salton View where you are more than five thousand feet above the desert and where, to the north, you can see the great escarpment of Mount San Jacinto and, to the south, the man-made Salton Sea, the orchards of the Coachella valley and, on a clear day, old Mexico.

It is always clear in Indio and with the clarity of the warbler in the cottonwood grove, John Philip Nichols knew that he could bring his box office charity and all his earthly possessions into the reservation of the Cabazon Band of Mission Indians.

With no more than two dozen Indians and nearly two thousand acres of desert solitaire, cactus and cottongrove, the Cabazon reservation was a suitable home for gambling, dope, dirty money and gun running and all the fugitive visions that line the edge of oppression.

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John Philip Nichols didn't howl under twelve full moons before the gambling was underway and, in the desert night, people flocked from all over to Indio Bingo and to the poker casino at the fork of Highway 10 and Highway 86.

Under a major corporation's umbrella subsidiary, later to be named Cabazon Arms, the gun runners and the money traders soon arrived, the weapon makers and the generals from Babylon, contra resuppliers, covert operatives from both the East and the West and, in what one source calls "a marriage of necessity," the dope dealers, the mobsters and the murderers.

Whatever John Philip Nichols saw in the dark cathedral of those desert nights in silence and certainty cracked and came unglued. After a number of still unsolved execution-style murders and a solicitation-for-murder charge for which he was jailed, the dark vision of John Philip Nichols eroded. Although he's been released from a short stint in prison, he's a one-eyed Jack now since only Indio Bingo gambling -- managed by his sons, the Las Vegas-managed poker casino, the Indians and the most formidable creatures of the desert remain.

Several of the Cabazon Arms associates during the 1980s are coming out of the shadows to take top billing for the actual participation in the multi-million dollar laundered payment to the Iranians to delay the release of the hostages, in shutting down the dope and dirty money schemes of Mugan Hand and resurfacing its activities, in assisting Gerald Bull in the refinements and distribution of his weapon arsenal including his Super Gun and in the development of the Fuel Air Explosive technologies -- thought

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While rumors of the hostage release delay circulated for years after the election of Ronald Reagan, it wasn't until 1988 that testimony was offered by two covert operatives in two different courts regarding their knowledge and participation of a hostage-release stall managed by then Reagan campaign chief William Casey. But now, two more covert operatives have emerged from that desert reservation in the journey of this story effort to confirm that previous testimony and provide richer details regarding the laundered payment by the Saudis and other particularities in order to prevent what Casey feared the most, a surprise release of the hostages before the election almost guaranteeing windfall votes for President Jimmy Carter. The alleged reward to another Reagan insider for that mission to Iran in the summer of 1980 has been almost wholly responsible for the leaks leading to this odyssey. For it was in that reward in the form of a multimillion dollar government contract that technologies were found to have been stolen by the government from another company. In that other company's recovery from bankruptcy, its CEO has been the real life star and gunshoe in this drama that continues to unfold each day.

In 1982, the body of thirty year old Paul Moresca was found hog-tied and fatally strangled in his condominium on San Francisco's Telegraph Hill. Morasca, who had been working among the Cabazon Arms confidantes reportedly had the access codes for offshore accounts containing hundreds of millions of dollars in drug money ostensibly for covert operations. Morasca's partner, who is one of the key sources for this story, claims to have scuttled Nugan Hand's operations and assumed control over all of the funds. Two years earlier, about ninety miles inland from Sydney, Frank Nugan's body was found slumped over in

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his Mercedes sedan. His partner, Michael Hand, has been missing since the investigation widened several month's after Nugan's death. Two sources in this story report knowledge of Michael Hand's whereabouts.

The drug trafficking, the contract murders, the spies and the investment frauds revealed in the Nugan Hand inquiries bear sinister, mirror-like qualities to the gang on that isolated desert reservation in Southern California.

A little more than six months ago, on a quiet spring evening in Brussels, a guns-to-Babylon mission splintered into pieces which were later found in the UK's Teesport and in Turkey. Gerald Vincent Bull ambled down the hallway leading to his apartment when an assassin fired two 7.6 millimeter rounds at point blank range into the back of his skull. The shadowy movements of his Super Gun dream took hold and gathered momentum in the Indie desert.

Six years ago on a balmy Sunday morning in Beirut, a Lebanese boy later nicknamed "Smiling Death" raced a Mercedes truck toward a building full of sleeping U.S. soldiers. A few seconds later, 241 Americans and 56 Frenchmen were dead in what the FBI called the largest man-made non-nuclear explosion since World War II. Nicknamed "Smiling Death" because of the chilling expression that the sentry recalled on the suicide driver's face, the bomb and the driver were traced to a Lebanese Shia Muslim extremist group, the Islamic Jihad and to the most dangerous terrorist at large today, Imad Mugniyah. Mugniyah's followers had used what investigators called a "trademark" using gas to enhance a powerful explosive. Investigators determined that the device was equivalent to nine tons of dynamite, made of a sophisticated explosive enhanced by gas and only the size of an unfolded card table. Its name: The Fuel Air Explosive.

Possession of a secret is no guarantee of its truth and while these allegations by a handful of people are indeed remarkable, they are also wrought with undocumentable details -- at least thus far, and veils of deniability masking the necessary spine for a traditional journalistic effort. It is for this reason that **BEHOLD, A PALE HORSE** is subtitled **A TRUE CRIME NARRATIVE**.

The first three chapters of the manuscript should be finished within three months of an initial advance and each subsequent chapter will be delivered every month. The completed book should be ready for publication by the summer of 1991.

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THE OCTOPUS

by Daniel Casolaro

This is the story of eight men whose real life "impossible mission" intrigues have dominated key events spanning the globe for nearly a half-century. They are the men who make up THE OCTOPUS.

They are not government officials but their tentacles can reach into any part of government in almost any country including legitimate and rogue spy networks. They are not notable industrialists but they can pull the strings of the oil and banking empires at will. They are not known criminals but they have successfully penetrated all factions of organized crime including the Mafia, the Japanese Yakuza, the Chinese Triads and the terrorist underground.

With its tag-team compartments, its exploitation of hundreds of people and its formidable stealth, THE OCTOPUS can instill considerable fear in those who have learned about it and its exposition will help to unravel the most compelling puzzles of the twentieth century.

What may have begun for these few learned men as a utopian response to harsh post-war realities quickly gave way to what simple men have always known to be the real enemy: selfishness and its allied forces of fear, greed and power.

While a few of the arms of THE OCTOPUS came together to insure the failure of an initiative into Albania in the fifties, almost every one helped to frustrate the Cuban Bay of Pigs invasion. What did THE OCTOPUS do in Albania?

What did the fiasco at the Bay of Pigs accomplish?

President Nixon and his key advisors Attorney General John Mitchell and Henry Kissinger were becoming impossible as far as THE OCTOPUS was concerned. Nixon's men were bypassing normal circles of intelligence with Vietnamization and the China card menacing all the operations of THE OCTOPUS from the Golden Triangle to Eastern Europe. While the mission to cause havoc in the Nixon administration eventually reaped a windfall, a principal arm of THE OCTOPUS was seriously at risk in the early stages. How did all the pieces come together for the snowballing of Watergate?

A different, marginally more officious costume was worn in Chile with Salvador Allende but there were separate -- even legitimate -- factions competing with THE OCTOPUS similar to the confrontation a decade earlier in the Congo (Zaire). What were those competing factions and how did THE OCTOPUS surmount them? Since the Chilean operation provided accumulated debt for favors performed, THE OCTOPUS was now mature and it knew how to collect those debts. What were the favors performed? What was the due bill?

It didn't take many people to design the apparatus that would insure the renewal of the lease for the Pine Gap installation near Alice Springs, Australia. After all, how could a democracy spit up a Prime Minister that could sack the security of the Western Alliance? What about the tentacle operations of THE OCTOPUS in Angola, Rhodesia (Zimbabwe), Mozambique and Nigeria? Was this another case of wearing the right costume again, as in Chile? Politically correct assistance can cover THE OCTOPUS for anything -- drug trafficking, independent arms dealing and murder. But what happened to the money -- nearly a billion dollars?

Who drove the Shah out of power? Since the great arm of THE OCTOPUS

was at risk again, how was this achieved? Can best friends do this to each other? And why?

Who lit the fires for the war between Iran and Iraq? What role did THE OCTOPUS play? What was its purpose in the big picture?

Jimmy Carter had bruised THE OCTOPUS even worse than Nixon did with the targeted force of his advisors. Why did THE OCTOPUS come off the ocean floor to make sure that the hostages were not rescued? What happened to those Sea Stallion helicopters, the most dependable helicopter in aviation history? Everyone knows that hostages equals money but what happened to the billions of dollars in frozen assets? Why was there a great struggle to insure Reagan's election in 1980 since he was not a favored son? Even if the participation by campaign officials to delay the release of the hostages was limited to just the acquiescence of smiling gentlemen who knew better, why was the veil removed when it could have been so absolutely secret?

Exploiting foreign policy objectives with the Contras in Nicaragua was one thing but why was the creation of a Latin American equivalent to the Golden Triangle so irresistible?

A huge amount of money — several billion dollars — was raised for the Afghan freedom fighters. THE OCTOPUS was not fully engaged and the freedom fighters only received a fraction of the money. Who else started to play this most dangerous game? How did THE OCTOPUS stop it?

Was it just a clever hand that was played with Kuwait and Iraq? What about Kuwait's OPEC decisions which goaded Saddam Hussein into his takeover? What role did THE OCTOPUS play? Why was the Bank of Credit and Commerce

International (BCCI) suddenly a sacrificial goat?

Before the reins of THE OCTOPUS are turned over to several slightly younger players, the most dangerous game continues -- July, 1991 -- on the tiny Caribbean island nation of Dominica. Possessing the largest boiling deep-water lake in the world, Dominica's geothermal potentiality is unmatched. It is here -- now -- that THE OCTOPUS may be making its boldest move yet.

####

THE OCTOPUSCAST OF CHARACTERS

John Nichols
George Pender
Richard Helms
Howard Hunt
Donald Gregg
Ray Cline
Ted Shackley
Thomas Clines
George Bush
Frank Carlucci
Caspaper Weinberger
Stanley Sporkin
William Casey
Patrick Moriarty
Marshall Riconosciuto
Michael Riconosciuto

BEHOLD, A PALE HORSE

A True Crime Narrative

by Daniel Casolaro

©, 1990

Behold, a pale horse and its rider's name was death and Hades followed him, and they were given power over a fourth of the earth, to kill with sword and with famine and with pestilence and by wild beasts of the earth

BEHOLD, A PALE HORSE

A True Crime Narrative

An international cabal whose freelance services cover parochial political intrigue, espionage, sophisticated weapon technologies that include biotoxins, drug trafficking, money laundering and murder-for-hire has emerged from an isolated desert Indian reservation just north of Mexicali.

While this cabal continues today, its origins were spawned thirty years ago in the shadow of the Cold War. In recent months, however, some of its members have emerged from the trenches like scarecrows to take gratuitous credit for their roles in delaying the release of the hostages in Iran until after the 1980 presidential election, scuttling and resettling the dope and dirty money schemes of the notorious, Australian-based Nugan Hand Bank, assisting Super Gun maker Gerald Bull who was assassinated last spring in Brussels and for the development and distribution of the Fuel Air Explosive which can pack the power of a nuclear weapon in a shoebox.

I propose a series of articles and a book, a true crime narrative, that unravels this web of thugs and thieves who roam the earth with their weapons and their murders, trading dope and dirty money for the secrets of the temple.

BEHOLD, A PALE HORSE will be a haunting odyssey that depicts a manifesto of deceit, decisions of conscience, good and evil, intrigue and betrayal.

John Philip Nichols found his promised land just north of Mexicali on the wild grasses above the Salton Sea.

He was sixty years old then and the Cabazon Indian reservation on the edge of Sonora was an ideal place for him to nurse his secret self. This is the vast desert emptiness where the yucca reaches nearly forty feet high, where the Mormons saw it as a symbol pointing to the promised land and they called it the Joshua Tree. But the Joshua Tree is an ugly, unsymmetrical lily with burly arms crooked at the elbow and it points everywhere, not unlike John Philip Nichols, as if asking itself "what shall I do next?"

There is a point on the ridge of the Little San Bernardino mountains known as Salton View where you are more than five thousand feet above the desert and where, to the north, you can see the great escarpment of Mount San Jacinto and, to the south, the man-made Salton Sea, the orchards of the Coachella valley and, on a clear day, old Mexico.

It is always clear in Indio and with the clarity of the warbler in the cottonwood grove, John Philip Nichols knew that he could bring his box office charity and all his earthly possessions into the reservation of the Cabazon Band of Mission Indians.

With no more than two dozen Indians and nearly two thousand acres of desert solitaire, cactus and cottongrove, the Cabazon reservation was a suitable home for gambling, dope, dirty money and gun running and all the fugitive visions that line the edge of oppression.

John Philip Nichols didn't howl under twelve full moons before the gambling was underway and, in the desert night, people flocked from all over to Indio Bingo and to the poker casino at the fork of Highway 10 and Highway 86.

Under a major corporation's umbrella subsidiary, later to be named Cabazon Arms, the gun runners and the money traders soon arrived, the weapon makers and the generals from Babylon, contra resuppliers, covert operatives from both the East and the West and, in what one source calls "a marriage of necessity," the dope dealers, the mobsters and the murderers.

Whatever John Philip Nichols saw in the dark cathedral of those desert nights in silence and certainty cracked and came unglued. After a number of still unsolved execution-style murders and a solicitation-for-murder charge for which he was jailed, the dark vision of John Philip Nichols eroded. Although he's been released from a short stint in prison, he's a one-eyed Jack now since only Indio Bingo gambling -- managed by his sons, the Las Vegas-managed poker casino, the Indians and the most formidable creatures of the desert remain.

Several of the Cabazon Arms associates during the 1980s are coming out of the shadows to take top billing for the actual participation in the multi-million dollar laundered payment to the Iranians to delay the release of the hostages, in shutting down the dope and dirty money schemes of Nugan Hand and resurfacing its activities, in assisting Gerald Bull in the refinements and distribution of his weapon arsenal including his Super Gun and in the development of the Fuel Air Explosive technologies -- thought to be responsible for the Beirut bomb which killed 241 U.S. servicemen.

While rumors of the hostage release delay circulated for years after the election of Ronald Reagan, it wasn't until 1988 that testimony was offered by two covert operatives in two different courts regarding their knowledge and participation of a hostage-release stall managed by then Reagan campaign chief William Casey. But now, two more covert operatives have emerged from that desert reservation in the journey of this story effort to confirm that previous testimony and provide richer details regarding the laundered payment by the Saudis and other particularities in order to prevent what Casey feared the most, a surprise release of the hostages before the election almost guaranteeing windfall votes for President Jimmy Carter. The alleged reward to another Reagan insider for that mission to Iran in the summer of 1980 has been almost wholly responsible for the leaks leading to this odyssey. For it was in that reward in the form of a multimillion dollar government contract that technologies were found to have been stolen by the government from another company. In that other company's recovery from bankruptcy, its CEO has been the real life star and gumshoe in this drama that continues to unfold each day.

In 1982, the body of thirty year old Paul Morasca was found hog-tied and fatally strangled in his condominium on San Francisco's Telegraph Hill. Morasca, who had been working among the Cabazon Arms confidantes reportedly had the access codes for offshore accounts containing hundreds of millions of dollars in drug money ostensibly for covert operations. Morasca's partner, who is one of the key sources for this story, claims to have scuttled Nugan Hand's operations and assumed control over all of the funds. Two years earlier, about ninety miles inland from Sydney, Frank Nugan's body was found slumped over in

his Mercedes sedan. His partner, Michael Hand, has been missing since the investigation widened several month's after Nugan's death. Two sources in this story report knowledge of Michael Hand's whereabouts.

The drug trafficking, the contract murders, the spies and the investment frauds revealed in the Nugan Hand inquiries bear sinister, mirror-like qualities to the gang on that isolated desert reservation in Southern California.

A little more than six months ago, on a quiet spring evening in Brussels, a guns-to-Babylon mission splintered into pieces which were later found in the UK's Teesport and in Turkey. Gerald Vincent Bull ambled down the hallway leading to his apartment when an assassin fired two 7.6 millimeter rounds at point blank range into the back of his skull. The shadowy movements of his Super Gun dream took hold and gathered momentum in the Indio desert.

Six years ago on a balmy Sunday morning in Beirut, a Lebanese boy later nicknamed "Smiling Death" raced a Mercedes truck toward a building full of sleeping U.S. soldiers. A few seconds later, 241 Americans and 56 Frenchmen were dead in what the FBI called the largest man-made non-nuclear explosion since World War II. Nicknamed "Smiling Death" because of the chilling expression that the sentry recalled on the suicide driver's face, the bomb and the driver were traced to a Lebanese Shia Muslim extremist group, the Islamic Jihad and to the most dangerous terrorist at large today, Imad Mugniyah. Mugniyah's followers had used what investigators called a "trademark" using gas to enhance a powerful explosive. Investigators determined that the device was equivalent to nine tons of dynamite, made of a sophisticated explosive enhanced by gas and only the size of an unfolded card table. Its name: The Fuel Air Explosive.

Possession of a secret is no guarantee of its truth and while these allegations by a handful of people are indeed remarkable, they are also wrought with undocumentable details — at least thus far, and veils of deniability masking the necessary spine for a traditional journalistic effort. It is for this reason that BEHOLD, A PALE HORSE is subtitled A TRUE CRIME NARRATIVE.

The first three chapters of the manuscript should be finished within three months of an initial advance and each subsequent chapter will be delivered every month. The completed book should be ready for publication by the summer of 1991.

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9
True copy of News

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Background Only

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36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 18, 1990
Page 2

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 18, 1990
Page 3

William Deaver
CIA
NSA - Deaver

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

¹ Michael McManus served as Deputy to Michael Deaver in the Reagan White House. He also served on the Board of Directors of FIDCO.

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 18, 1990
Page 5

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 18, 1990
Page 6

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 18, 1990
Page 8

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 13, 1990
Page 5

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 18, 1990
Page 10

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

Memorandum to the Record
July 18, 1990
Page 11

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

FOIA(b)(7) - (C)
FOIA(b)(7) - (D)
36 CFR 1256.58 - Law Enforcement

TO HERB KARLITZ 718-937-1800
FAX 718-937-2093
July 22, 1991

Dear Herb:

I have purposefully left out ^{Some} ~~names~~ names in the CAST OF CHARACTERS for two separate reasons. I will tell you those names and the reasons when we talk.

This is my final week for these marathon hours over the last 12 months. Encountering this odyssey, meeting it with my whole life, is to grapple with something personal since I've risked everything. By Friday, I have to come up with about \$5000 to just cover my mortgage payment and my real estate taxes and in September I'll be looking into the face of an oncoming train. Father, what will I do?

Still, I feel the happiness that an eskimo must feel when he comes across fresh bear tracks when he's ahead of all the other sledges. It's just the way it has happened.

Best regards, Danny

THE OCTOPUS

by Daniel Casolaro

This is the story of eight men whose real life "impossible mission" intrigues have dominated key events that span the globe for nearly a half-century. They are the men who make up THE OCTOPUS.

They are not government officials but their tentacles can reach into any part of government in almost any country including legitimate and rogue spy networks. They are not notable industrialists but they can pull the strings of the oil and banking empires at will. They are not known criminals but they have successfully penetrated all factions of organized crime including the Mafia, the Japanese Yakuza, the secret Chinese societies and the terrorist underground.

With its tageteam compartments, its exploitation of hundreds of people and its formidable stealth, THE OCTOPUS will help to unravel the most compelling puzzles of the twentieth century.

What may have begun for these few learned men as a utopian response to harsh post-war realities quickly gave way to what simple men have always known to be the real enemy which is selfishness and its allied forces of fear, greed and power.

While a few of these eight men came together to insure the failure of an initiative into Albania in the fifties, almost every one of them helped to frustrate the Cuban Bay of Pigs invasion. What did they do in Albania and with whom? What did the fiasco at the Bay of Pigs accomplish?

22222

President Nixon and his key advisors Attorney General John Mitchell and Henry Kissinger were becoming impossible as far as the octopus was concerned. They were bypassing normal circles of intelligence with Vietnamization and the China card. While this operation eventually reaped a windfall, a principal arm of the octopus was seriously at risk. How did all the pieces come together for the snowballing of Watergate?

A different, marginally more officious costume was worn in Chile with Salvador Allende. But there were separate factions at war competing with the octopus similar to the efforts in the Congo (Zaire) with Patrice Lumumba. Since the Chilean operation provided accumulated debt for favors performed, the octopus was now mature enough to know how to collect those debts. What were the favors performed? And what was the due bill?

It didn't take many people to design the apparatus that would insure the renewal of the lease for the Pine Gap installation near Alice Springs, Australia. After all, how could a democracy spit up a Prime Minister that could sack the security of the Western Alliance? What about the tentacle operations of the octopus in Angola, Rhodesia (Zimbabwe), Mozambique and Nigeria? Was this another case of wearing the right costume again, as in Chile? Politically correct assistance can cover the cover of the octopus for anything — drug trafficking, arms dealing and murder. But what happened to the money — nearly a billion dollars?

Who drove the Shah of Iran out of power? Since the great arm of the octopus was at risk again, how was this achieved? Can best friends do this to each other? And why?

Who lit the fires for the war between Iran and Iraq? What role did the octopus play? What was its purpose in the big picture? Is any picture that big?

Jimmy Carter had bruised the octopus as badly as Nixon did with more directed focus. Why did the octopus come off the ocean floor to make sure that the hostages were not rescued? What happened to those Sea Stallion helicopters, the most dependable helicopter in aviation history? Why is it that some "legitimate" factions helped? Everyone knows that hostages equals money but why is it that no one has asked what happened to the billions of dollars in frozen assets? Since Reagan was not a favored son of the octopus, why did almost all the arms struggle to insure the election of 1980? Even if the participation by campaign officials in holding the hostages until the Reagan election was limited to just the acquiescence of smiling gentlemen who knew better, why was the veil removed when it could have been so absolutely secret?

Exploiting foreign policy objectives with the Contras in Nicaragua is one thing but why was the creation of a Latin American equivalent to the Golden Triangle so irresistible?

A huge amount of money — several billion dollars — was raised for the Afghan freedom fighters. The octopus wasn't doing this and the freedom fighters only received a fraction of the money. Who else started to play the game and how did the octopus stop it?

Was it just a clever hand that was played with Kuwait and Iraq? What about Kuwait's OPEC decisions which goaded Saddam Hussein into his takeover?

What role did the octopus play? Why was the Bank of Credit and Commerce

44444

International (BCCI) suddenly a sacrificial lamb?

Before the reins of the octopus are turned over to several slightly younger players, the most dangerous game continues now — July, 1991 — on the tiny Caribbean island nation of Dominica. Possessing the largest boiling deep-water lake in the world, Dominica's geothermal potentiality is unmatched. It is here — now — that the octopus may be making its boldest move yet.

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On the Trail of the Money Catcher...

THE OCTOPUS

Cast of characters

Richard Helms - former Director of Central Intelligence & now head of SAFEER

Howard Hunt - former CIA agent and one of Watergate co-conspirators

George Pender - former CIA agent

John Nichols - former CIA agent and currently managing gambling casino on Reservation

Ted Shackley - former CIA agent & now head of RESEARCH ASSOCIATES INTERNATIONAL

Tom Clines - former CIA agent & currently appealing sentence for tax fraud

Ray Cline - former CIA official

Harry Gillam - known also as "Double Deuce" and recently deceased

Eric Sercowles - internationally known British intelligence official

Kim Philby - British spy who worked for the Soviets and recently deceased

John Walker - head of the Walker spy ring and currently in jail

Edward Lee Howard - former CIA agent who worked for the Soviets & escaped to Moscow

Ronald Pelton - NSA employee who worked for the Soviets and currently in jail

Pat Moriarty - ex parte member of Reagan's California kitchen cabinet

Marshall Riconosciuto - partner of Pat Moriarty in largest fireworks company in U.S.

Michael Riconosciuto - self proclaimed scientist without portfolio & currently in jail

Paul Morasca - Michael Riconosciuto's partner & deceased since January 1982 — murdered

Fred Alvarez - Cabazon Indian & deceased since June 1981 — murdered

Mary Quick - friend of Paul Morasca & deceased since 1982 — murdered

Earl Brian - called the "genius doctor" in the Reagan California govt. Businessman.

Bill Hamilton - president of Inslaw, company that developed tracking software PROMIS

Red McDaniel - former POW and head of American Defense Institute

Danny Sheehan - head of Christic Institute

Harry Rupp - former CIA pilot & recently released from prison

Richard Brenneke - former CIA contract agent & recently acquitted for perjury

Donald Gregg - former CIA agent and currently Ambassador in South Korea

Prescott Bush - President George Bush's older brother

Prince Bandar - Saudi Arabian Ambassador to the U.S.

Ari Ben Menashi - former Mossad representative in Latin America

John Delarocque - close confidante of Ben Menashi and currently in St. Tropez

Gerald Bull - rocket scientist & developer of the super gun -- murdered in 1990.

Barry Seale - major cocaine trafficker & pilot -- murdered in 1986.

Drew Thornton - major Kentucky drug trafficker & deceased since 1985

Bernie Cornfield - head of International Investors Services (IOS)

Robert Vesco - American fugitive for IOS scam & illegal donation to Nixon campaign

Edwin Wilson - CIA agent jailed for illegal profiteering

Roy Furmark - New York lawyer and associate with Adnan Khassogi & William Casey

Adnan Khassogi - Saudi businessman

Ishan Barbuti - Iraqi arms dealer

Manuchehr Gorbanifar - Iranian arms dealer

Kamal Taki - former Beirut judge & Mideast intelligence operative

Cyril Fairhurst - British intelligence specialist associated with rogue networks

Robert Chasen - former Commissioner of Customs & Wackenhut Director

Robert Frye - Wackenhut executive

Chinese Triad leaders - Hong Kong, Bangkok, Australia & Vancouver

Japanese Yakuza leaders - Hong Kong & Tokyo

Associated organized crime leaders in U.S. - Gotti et al

Khun Sa - Chinese national and opium warlord

Bernie Houghton - American living in Australia & owner of Bourbon & Beefsteak Pub

Resume

J. DANIEL CASOLARO

(703) 273-7614

(703) 425-9781
(Recorder)

11626 Pine Tree Drive
Fairfax, Virginia 22033

J. DANIEL CASOLARO

OBJECTIVE

A challenging and rewarding Executive position *managing and marketing a media operation* where extensive press experience, organizational skill and creative product development ability are required.

SUMMARY

Twenty years of experience in all forms of media requiring creative, scientific and technical text preparation. A proven track record of success in reporting, editing, publishing and marketing. Some knowledge of French and Spanish having lived in France and South America.

EDUCATION

Providence College (1965-1968)
University of Paris, Special Study (1966)
St. Leo College (1964-1965)

BOOKS

The Ice King (Novel - 1981)
Makes Me Think of Tall Green Grass
(Collection of Short Stories - 1973)

FILMS

Fly Without Wings
Contributor - 1980
Won Annual Industrial Film Award
Rain for a Dusty Summer
(Initial Film Treatment - 1972)

AFFILIATIONS

Current Member
Author's Guild
Press Gallery, U.S. Congress

Longstanding Past Member
Associated Business Writers of America
Society of Professional Journalists.

EXPERIENCE

MANAGEMENT

Duties and responsibilities include:

- Creating concepts, founding, and managing journals, magazines and newspapers.
- Identifying and assigning workloads, and supervising staff performance.
- Editing and coordinating final production of each publication issue.

ACCOMPLISHMENTS

- ▶ Developed, edited and published defense, scientific and computer publications in the "high tech" arena including a daily, a weekly, two bi-weeklies and five monthlies.
- ▶ Established a news bureau, hired and trained reporters, and produced feature stories and investigative reports.

WRITING AND EDITING

Duties and responsibilities include:

- Obtaining a comprehensive knowledge of technical, scientific and political issues.
- Developing a perspective on each assignment issue which is newsworthy and timely.
- Preparing draft columns, text and reports for submission or inclusion in journals, magazines and newspapers.
- Revising and updating articles and stories prior to, and following publication.

ACCOMPLISHMENTS

- ▶ Served as correspondent and columnist for World News, Home & Auto, El Dorado News Times, Media Horizons, Globe Newspapers, Providence Journal, and the Rhode Island Review.
- ▶ Produced some of the most important journalistic efforts of the last 20 years, for newspaper and technical/scientific publications.

PUBLICATIONS

- Served as Editor-In-Chief for the Robotics Report, Computer Daily, Software Digest, World Trade, Federal Computer Market Report, EDP Weekly, Mini Micro Computer Report, EFTS Industry Report, Court Systems Digest and The Russian Report.
- Associated with: Medical News Digest ... Washington National News Reports publications including Electronic Warfare and C3I ... Washington Crime News publications including Court Systems Digest, Crime Control Digest, Narcotics Control Digest, Organized Crime Digest and Fire Control Digest.

EMPLOYMENT

Author, Editor/Journalist & Publication Developer

1989-Present

Developed an international life sciences research analysis; contributed to the most comprehensive toxic substance analysis (on any chemical) ever developed; wrote/edited the Avionics Report and Helicopter News.

1976-1989

Editor-In-Chief/Publisher, Computer Age Publications

1976-1986

Editor/Reporter, Washington Crime News Services, (*a sister organization to Computer Age*)

1970-1976

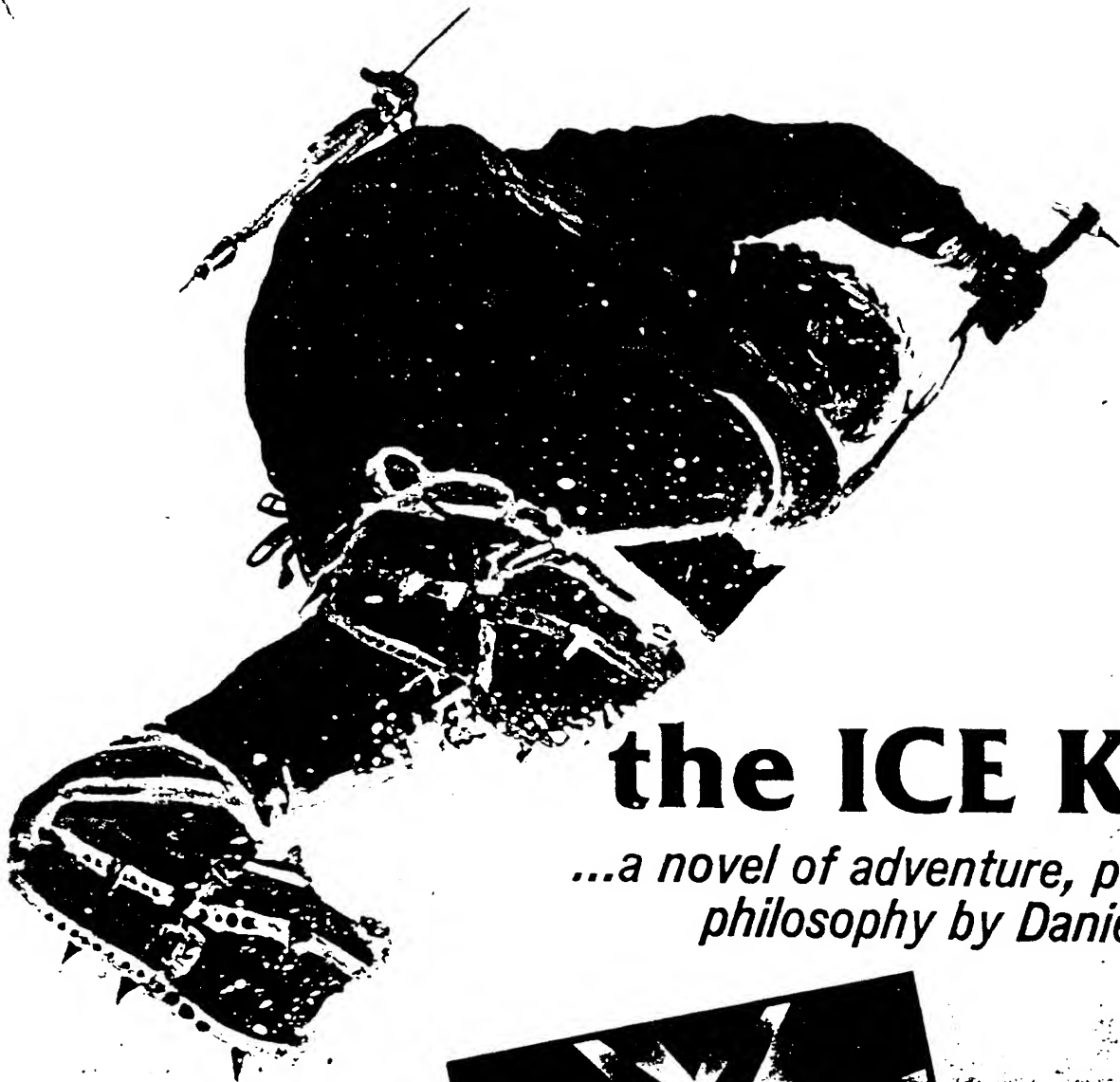
Washington Correspondent & Columnist

NW: 15457969-10 70098640

Bureau Chief, Globe Newspapers

1968-1969

Staff Writer (Promoted to Editor), Rhody Teen Magazine



the ICE KING

*...a novel of adventure, poetry and
philosophy by Daniel Casolaro*



DANIEL CASOLARO

August 5, 1991

Mr. Danny Casolaro
11626 Pine Tree Drive
Fairfax, VA 22033

Dear Danny:

Per our discussion, I am releasing you from our exclusivity agreement (on a qualified basis) which was suppose to run for one year.

Under our new oral understanding, you are free to talk to other publishers directly in the hopes of consummating a deal, as long as I know beforehand with whom you are talking with.

It is still our understanding, however, that if I am successful in bringing you a book deal, you will honor our original agreement in full, or, if any of the meetings or contacts that I have already arranged for you (ie. Elizabeth Mackey) materialize, than our original agreement is in full force and effect.

Regards,

Herb Karlitz

casolaro to karlitz

April 20, 1991

Dear Herb:

I am enclosing the update you requested on my trip to Seattle. But I must explain how much deeper in debt I am. Every month that goes by without income puts another \$4500 or so on my liability just keeping my family and self alive. On top of that, my mortgage which is now up to \$300,000 is scheduled for final payment in September 1991. If I could hit it with a major payment (say a third) and justify continuing income, I'll probably be okay because I'll be able to get another mortgage.

The itinerary for research completion is Arkansas, Louisiana and Florida (extensions of Barry Seale's operations and lengthy interview with Sarkis Soghanalian) — one week; Lexington, Kentucky to meet Charles Ray and visit again with Ari Ben Menashi — 2 days; Denver, Colorado to meet pilot Heinrich Rupp and businessman Bill Kilpatrick — 3 days; Las Vegas to meet closed source — 1 day; Indio, Calif to the Indian reservation and to meet homicide investigators — 3 days; Santa Monica and Long Beach Calif. to meet one closed source and arms specialist Peter Zokoskey — 2 days; San Francisco to meet homicide investigators — 1 day; Portland, Oregon to meet with Richard Brenneke — 1 day; Seattle to meet again with Michael "Danger Man" Riconosciuto in his jail cell presumably — 1 or 2 days; Costa Rica — 2 days; Chile to meet Carlos Carduen — 2 days; Sidney, Australia to meet Bernie Houghton and Royal Commission investigators and others — 7 days; Thailand, Burma and Laos to meet with tribal leaders and scholars — 14 days; Kuwait City, Saudi Arabia, Egypt and Tunisia and Brussels — 2 days; Zurich — 1 day; London — 2 days; Quebec to meet Michael Hand (this will require help of two sources) — 2 days; Marion, Ohio to meet Edwin Wilson in prison — 2 days.

All travel will be wrapped up in eight weeks or less after which I will return home for about two weeks of study and outlining for both book and film. I could compress actual writing time to four months to have the manuscript complete by the end of 1991.

Only a few characters will emerge at the end of my research around which the entire story will develop for both book and screenplay. If I'm not given the authority for a screenplay (due to my lack of credentialed experience), my urgent suggestion is to make sure a screenwriter is assigned to me for at least some of the travel and research. I think this story will be taut and dramatic and I want that control necessary for the film to insure its effectiveness.

I understand from Danny Sheehan at the Christic Institute here in Washington, D.C. that Oliver Stone has expressed interest in the subject matter. Sheehan has defended publication of the Pentagon Papers, won the suit for the Karen Silkwood case and is today pursuing the La Penca lawsuit, now before the 11th Circuit Court of Appeals in Atlanta, exposing the Contra-Cocaine network of former intelligence officials, Cuban exiles and mercenaries. Several tentacles of the octopus I'm working on coincide with the Christic Institute's investigation and lawsuit. I also understand that Bruce Springsteen Jackson Browne and Bonnie Raitt put on a concert for the Christic Institute in recent months. I bring these items up to let you know that I think there's real interest in this investigative effort that could multiply in the months ahead.

With best regards,

casolaro :

UPDATE ON THE PURSUIT OF THE TAPE & The Jailing of Danger Man

It is a pale moon that illuminates the characters in this story. With chords of fear and longing, it is a world of darkness and betrayal that everyone thinks they know but few have seen. The real faces in this world are all too human, however. Danger Man's mind is as willful and fragmented as the life he lives and the land he travels. The background music no longer keeps a tune to the oath of patriots but T.S. Eliot's Gerontion: "Think/neither fear nor courage saves us. Unnatural vices/are fathered by our heroism. Virtues/are forced upon us by our impudent crimes."

These crimes are the subject of this update and a brief capsule seems as hopeless as carving the Bill of Rights on the head of a secret agent. For, like the enormous Danger Man himself, this story resists shrinkage. Its events are too current, its local color too feverish.

The sun had burned away the morning fog when I arrived in Seattle on Easter Sunday, bound for Everett, some thirty miles away. I had come to visit and retrieve a tape recording from the intriguing Danger Man himself, 43 year old Michael J. Riconosciuto, whom lawmen had deposited in the Snohomish County Jail in Everett, Washington.

The tape that Danger Man had recorded a month earlier, he alleged, was a direct threat from a former Justice Department official describing two leg entanglements that were about to befall him if he cooperated with a mushrooming Capitol Hill inquiry. If this tape was retrievable, I knew this scandal was about to be publicly born.

It was during the last year that I began calling Michael "Danger Man

NW: 15457 DocId: 30098640 Page 50
During hours of telephone calls from him, he had told me in exotic detail of his participation in "an enterprise" that worked its way around the world,

trading in dope, dirty money, weapons, biotoxins and murder for the secrets of the temple. I had been able to unearth some documentation and a number of other people who were willing to provide a rich array of detail regarding Danger Man, his former associates and of the underground empire he described.

But now he had become a key witness in the eight year old legal battle between the Justice Department and Inslaw, a District of Columbia computer company whose software tracking system called PROMIS has been used by law enforcement to track cases and criminals. "But it will track anything once its provided with the rules," Inslaw's founder says.

Inslaw charged, and two courts have agreed, that the software — sell for \$150,000 per user — had been stolen by a handfull of people in the Justice Department in the course of a contract dispute. Now, Inslaw charges, the software has been distributed by profiteers to intelligence and military agencies in, among other countries, Iraq, Libya, South Korea, Israel and Canada. Inslaw's William Hamilton had independently learned from a Canadian official that PROMIS was being used in 900 different locations in Canada.

A little more than a week before his arrest, Danger Man had filed an affidavit in the case on behalf of Inslaw saying that private interests had hired him in the early 1980s to modify the software for Canadian distribution. Those private interests, he told me, represented tentacles of the underground cabal that made its home on an Indian reservation just north of Mexicali. In the affidavit, Danger Man said he was called in February by a former Justice Department official and warned against cooperating with an investigation in the case by the House Judiciary Committee.

He added that the former Justice official told him that if he talk to investigators he would be implicated in an unrelated criminal case and lose another ongoing child custody case.

Late Friday evening on March 29, on the Key peninsula off Puget Sound, Danger Man was arrested for distribution of methampheta

I arrived in Snohomish County two days later on March 31. This is ponderosa pine and giant fir country flanked by the Cascade Mountain range to the east, Port Gardner Bay and the Olympic Mountains to the west with the Snohomish River snaking through the north end of the city of Everett, the county seat.

By late evening, I had been to the jail a number of times and each time Danger Man was refused visitors on the orders of the U.S. Marshall in Seattle. Still, Danger Man was able to find me at a nearby motel and call several times from the jail with cryptic directions for the retrieval of the tape, his expected movement the following day to a federal magistrate in Tacoma and more details about how dangerous he was becoming to the enterprise.

That enterprise moved drugs, guns and money to the ever changing temples of power in different parts of the world, the geography changing with the political climate unless the political climate could be changed to suit the enterprise, according to Danger Man, two other "agents of influence," and a former Israeli agent.

But no one is supposed to talk about it and Danger Man told me again of his best friend Paul who had been murdered in San Francisco almost ten years earlier. "Paul was the best there was as a money mover. The access codes he maneuvered were offshore accounts amounting to over a billion dollars," Danger Man said. "They don't play around. You're just found dead one day."

Traveling to Tacoma with Danger Man's lawyer, I saw seals basking in the only shaft of sun I had seen so far in the Northwest — fat with their c
of steelhead trout moving to freshwater spawning. We talked of Danger Man's allegations, some documentable, and the tape that both of us had been promis

"Michael sure called this one," the lawyer said.

We arrived in Tacoma just before the 3 P.M. hearing. Danger Man filled the courtroom with his presence. Under six feet tall, he was immense in frame but agile and graceful in movement like some giant white rabbit or perhaps some hybrid fugitive creature related to a fox.

A former Air America pilot who says he may know Danger Man under a name other than Michael Riconosciuto says "He was called 'the Fat Man' in Asia." Richard Brenneke won't even talk about Danger Man over the telephone. (Brenneke's claims through the years regarding his role in an "October Surprise" plot to delay American hostages in Iran until after the 1980 election have been bouncing around for some time.)

The hearing before a federal magistrate in Tacoma concerned bail for Danger Man which was refused. While the complaint charged an isolated incident of distributing drugs on March 29, there were four other dates mentioned in which confidential informants with audio and video recordings were used as well.

The next day — April 2 — I was driven from Gig Harbor to a patch of bog in the peninsula on the reaches of Puget Sound. This is where, I was told, Danger Man had thrown a copy of the tape from a car on the night of his arrest. I was driven up into the hills on the peninsula. Here the high pine trees, mostly wolf pine, and the red cedar stay in the rain shadow. The ground is mostly scrubland and skunk cabbage heavy with the scent of wild herbs and flowers especially in the pouring rain. Many of the people live in huts, some attached to mobile homes, in the backwater of the peninsula. The first man I was to meet on this far end of nowhere was an old, grey-bearded Swede in a wide-brimmed leather hat. He came out of his hut talking in staccato rhythm.

and reciting broken poetry. He appeared somewhere between 60 and 70 years of age. "Can you cry?" he asked me. "Then prepare to shed a tear and shed them now," he said. He hardly paused on the hillside in the pouring rain before advising that "The fault is not in the stars. The fault is in ourselves."

When he stopped talking, he started singing and finally I was able to ask if he had a tape for me.

My driver said "No. He doesn't have the tape. We just wanted you to meet some of Michael's old friends."

Sitting side by side under a tarp, the bearded old Swede took me on a compulsory guided tour of Danger Man from the time he was a child winning science fairs to now. Prior to working with the Nobel Laureate at Stanford's Physics Lab at 16 and 17 years of age, he had supposedly already distinguished himself in mining, sonar, lasers and communications. Much of that I had heard before. Nobel Laureate Dr. Arthur Schalow, in a lengthy interview months before, remembered Danger Man well. "You don't forget a 16 year old youngster who shows up with his own Argonne laser," Dr. Schalow had told me. There was an old article about Danger Man when he was 10 years old after he strung up an alternative telephone service in his neighborhood.

The old Swede, Danger Man's father and my driver wanted to make it very clear that this was a person who made very powerful people take notice of him when he was a boy. But why, I asked, would this group pursue him. Everyone, including Danger Man's father, would tell me "To control him." He had been running from that, I was told, since the mid-eighties when he left the Indian reservation. And now he was regarded as a rogue always present. 157 DocId:37008640 Page 63
enforcement for one charge or another. I had even found an old letter of his dating back to 1982 in which he described having "to present a periscopic in-

to the public."

The rain did not let up as the old Swede danced in the brush. I watched a big jack rabbit dart under and then away from the old Swede's tarp before it limped trembling and hidden in the grass. While some creatures are born to hunt, others are born to flee. These are nature's fugitives, and, like the fox, have a curious freedom in the masks they wear and access to obscure regions where no one will follow. Sometimes they have the protective coloring of the hunter but that is the ruse of the fox. They learn that instinctively.

By the end of the week I had trucked back and forth across Puget Sound by daylight and nightfall in an odyssey of pursuit for the tape. I would meet Danger Man in jail and talk with him many times from the Kitsap County jail to which he had been moved on the peninsula.

I had also been placated, I presumed, with documents concerned mostly with weapons, fuel air explosives, documents relating to Gerald Bull, assassinated the previous spring in Brussels, Carlos Carduen in Chile, mining papers, lab papers relating to scientific experiments with lasers, and letters regarding the return of that mysterious billion dollars which Danger Man said had come from the Nugan Hand bank in Australia. I had already seen some of these documents in the months before but now it looked as though the gunshoes from the House Judiciary Committee would also see them.

Two Capitol Hill investigators had arrived on my heels to interview Danger Man. By the end of the week they had arrived in Seattle, had discussed with the U.S. Attorney, and made arrangements to have Danger Man moved.

"I'm screwed," Danger Man said, "don't you see. These guys are my

only hope.

"I've come up with the cheapest way to refine platinum there is.

But I'm screwed because they'll try to show that the chemicals I use at the

mine are precursor ingredients to making methamphetamine." The chemicals at one of his labs included, he said, chloracetone, sodium cyanide, nitric acid, ammonium chloride and bags of platinum dust.

If I received the tape, the original, I was to give it to the Judiciary Committee investigators, Danger Man said. I could make a copy for myself, he added, to bring back to Washington, D.C.

The next morning, Danger Man was moved from his cell on the Kitsap peninsula to Seattle where the Judiciary Committee investigators and their stenographer would be interviewing him. I arrived in Seattle and met both investigators. Despite their refusal to let me accompany them on their interview with Danger Man, reached an agreement to engage in dialogue back in the nation's capitol. They spent all day with Danger Man and then, I learned, were provided documents from another repository which I had not seen from Bremerton, Washington at the southern tip of the inlet. Having arrived on the 3rd day of April, both investigators left on the 6th.

By that time, I had learned that federal agents had raided one of Danger Man's labs in the mountainous Pine Creek area west of Tsket still high with rain and snowmelt as well as his place in Aberdeen, a coastal strip town and still another lab or workplace in Anaheim, California.

I had previously talked to a Denver businessman about Danger Man and his elusiveness. "I watched Mike demonstrate a new laser weapon he had created," the Denver man said, "a wand that blew whatever he pointed it at straight up in the air. I had called a number of high ranking military people and Michael was scheduled to demonstrate this new creation at Fort Hood, Texas. When the time came and we gathered at Fort Hood, Michael just didn't show. That's the way he was then and I don't expect he's any different now."

The beginning of spring always has its moody, bad tempered transition but with the tape never emerging, I was more than a little frustrated and more than doubtful in the tape's existence.

"I hope, for your sake, I'm wrong," I told him when he was back in the jail at Kitsap County.

He was unhappy I was leaving. I could sense his feelings grow mute in embarrassment, everything in him withdrew, a silence arose. I was going to be indulgent with whatever he said which I knew would still leave both of us empty handed; for ultimately, and precisely in the deepest and most important matters, especially if he was telling the truth, he was unspeakably alone.

I returned home the next day.

JUL 22 '91 15:17 AT&T

P.2/8

TO HERB KARLITZ 718-937-1800
FAX 718-937-2093
July 22, 1991

Dear Herb:

I have purposefully left out ~~some~~ ^{Some} names in the CAST OF CHARACTERS for two separate reasons. I will tell you those names and the reasons when we talk.

This is my final week for these marathon hours over the last 12 months. Encountering this odyssey, meeting it with my whole life, is to grapple with something personal since I've risked everything. By Friday, I have to come up with about \$5000 to just cover my mortgage payment and my real estate taxes and in September I'll be looking into the face of an oncoming train. Father, what will I do?

Still, I feel the happiness that an eskimo must feel when he comes across fresh bear tracks when he's ahead of all the other sledges. It's just the way it has happened.

Best regards, Danny

THE OCTOPUS

by Daniel Casolaro

This is the story of eight men whose real life "impossible mission" intrigues have dominated key events that span the globe for nearly a half-century. They are the men who make up THE OCTOPUS.

They are not government officials but their tentacles can reach into any part of government in almost any country including legitimate and rogue spy networks. They are not notable industrialists but they can pull the strings of the oil and banking empires at will. They are not known criminals but they have successfully penetrated all factions of organized crime including the Mafia, the Japanese Yakuza, the secret Chinese societies and the terrorist underground.

With its tageteam compartments, its exploitation of hundreds of people and its formidable stealth, THE OCTOPUS will help to unravel the most compelling puzzles of the twentieth century.

What may have begun for these few learned men as a utopian response to harsh post-war realities quickly gave way to what simple men have always known to be the real enemy which is selfishness and its allied forces of fear, greed and power.

While a few of these eight men came together to insure the failure of an initiative into Albania in the fifties, almost every one of them helped to frustrate the Cuban Bay of Pigs invasion. What did they do in Albania and with whom? What did the Glasco at the Bay of Pigs accomplish?

was now mature enough to know how to collect those debts. What were the favors performed, who performed them and what was the due bill?

It didn't take many people to come front and center for the octopus in the design of the apparatus that would insure the renewal of the lease for the Pine Gap installation in Alice Springs, Australia. In this instance, another favor was being performed and it allowed the octopus to wear the right costume again as in Chile. It had some considerably profitable operations underway in Southeast Asia, Angola, Nigeria, Rhodesia and Mozambique. Politically correct assistance can cover your cover for anything. Here was a democracy in Australia that spit up a prime minister that could sack the security of the western alliance. This effort was indeed interesting. What happened to the missing money -- nearly a billion dollars?

Since the mighty leg of the octopus was as close to the Shah of Iran as a brother, why is it that the Shah had to be driven from power? Can best friends do this to each other? Is this weakness -- a lack of loyalty -- what makes it easy to track?

Who lit the fires for the war between Iran and Iraq? What role did the octopus have? What was its purpose in the big picture? Is any picture that big?

President Carter was becoming impossible for several legs of the octopus bruising it as badly as Nixon did. Why did the octopus come off the ocean floor for this operation in making sure that the hostages were not rescued? What happened to those Sea Stallion helicopters, the most dependable helicopter in aviation history? Hostages equals money but Reagan was not a favored son of the octopus. Why was it that the octopus helped to insure the election in 1980?

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President Nixon and his key advisors Attorney General John Mitchell and Henry Kissinger were becoming impossible as far as the octopus was concerned. They were bypassing normal circles of intelligence with Vietnamization and the China card. While this operation eventually reaped a windfall, a principal arm of the octopus was seriously at risk. How did all the pieces come together for the snowballing of Watergate?

A different, marginally more officious costume was worn in Chile with Salvador Allende. But there were separate factions at war competing with the octopus similar to the efforts in the Congo (Zaire) with Patrice Lumumba. Since the Chilean operation provided accumulated debt for favors performed, the octopus was now mature enough to know how to collect those debts. What were the favors performed? And what was the due bill?

It didn't take many people to design the apparatus that would insure the renewal of the lease for the Pine Gap installation near Alice Springs, Australia. After all, how could a democracy spit up a Prime Minister that could sack the security of the Western Alliance? What about the tentacle operations of the octopus in Angola, Rhodesia (Zimbabwe), Mozambique and Nigeria? Was this another case of wearing the right costume again, as in Chile? Politically correct assistance can cover the cover of the octopus for anything — drug trafficking, arms dealing and murder. But what happened to the money — nearly a billion dollars?

Who drove the Shah of Iran out of power? Since the great arm of the octopus was at risk again, how was this achieved? Can best friends do this to each other? And why?

33333

Who lit the fires for the war between Iran and Iraq? What role did the octopus play? What was its purpose in the big picture? Is any picture that big?

Jimmy Carter had bruised the octopus as badly as Nixon did with more directed focus. Why did the octopus come off the ocean floor to make sure that the hostages were not rescued? What happened to those Sea Stallion helicopters, the most dependable helicopter in aviation history? Why is it that some "legitimate" factions helped? Everyone knows that hostages equals money but why is it that no one has asked what happened to the billions of dollars in frozen assets? Since Reagan was not a favored son of the octopus, why did almost all the arms struggle to insure the election of 1980? Even if the participation by campaign officials in holding the hostages until the Reagan election was limited to just the acquiescence of smiling gentlemen who knew better, why was the veil removed when it could have been so absolutely secret?

Exploiting foreign policy objectives with the Contras in Nicaragua is one thing but why was the creation of a Latin American equivalent to the Golden Triangle so irresistible?

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Was it just a clever hand that was played with Kuwait and Iraq? What about Kuwait's OPEC decisions which goaded Saddam Hussein into his takeover?

NW: 10457 DocId:37009864 Page 71
Did the octopus play? Why was the Bank of Credit and Commerce

44444

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On the Trail of the Money Catcher...

THE OCTOPUS

Cast of characters

Richard Helms - former Director of Central Intelligence & now head of SAFEER

Howard Hunt - former CIA agent and one of Watergate co-conspirators

George Pender - former CIA agent

John Nichols - former CIA agent and currently managing gambling casino on Reseruat.

Ted Shackley - former CIA agent & now head of RESEARCH ASSOCIATES INTERNATIONAL

Tom Clines - former CIA agent & currently appealing sentence for tax fraud

Ray Cline - former CIA official

Harry Gillam - known also as "Double Deuce" and recently deceased

Eric Sercowles - internationally known British intelligence official

Kim Philby - British spy who worked for the Soviets and recently deceased

John Walker - head of the Walker spy ring and currently in jail

Edward Lee Howard - former CIA agent who worked for the Soviets & escaped to Moscow

Ronald Pelton - NSA employee who worked for the Soviets and currently in jail

Pat Moriarty - ex parte member of Reagan's California kitchen cabinet

Marshall Riconosciuto - partner of Pat Moriarty in largest fireworks company in U.S.

Michael Riconosciuto - self proclaimed scientist without portfolio & currently in jail

Paul Morasca - Michael Riconosciuto's partner & deceased since January 1982 — murder

Fred Alvarez - Cabazon Indian & deceased since June 1981 — murdered

Mary Quick - friend of Paul Morasca & deceased since 1982 — murdered

Earl Brian - called the "genius doctor" in the Reagan California govt. Businessman.

Bill Hamilton - president of Inslaw, company that developed tracking software PRGM

Red McDaniel - former POW and head of American Defense Institute

NW: 15457 DocId: 70098640 Page 73
Danny Sheehan - head of Christic Institute

Senator Robert Byrd — Senator from West Virginia

Harry Rupp - former CIA pilot & recently released from prison
Richard Brenneke - former CIA contract agent & recently acquitted for perjury
Donald Gregg - former CIA agent and currently Ambassador in South Korea
Prescott Bush - President George Bush's older brother
Prince Bandar - Saudi Arabian Ambassador to the U.S.
Ari Ben Menashi - former Mossad representative in Latin America
John Delarocque - close confidante of Ben Menashi and currently in St. Tropez
Gerald Bull - rocket scientist & developer of the super gun -- murdered in 1990.
Barry Seale - major cocaine trafficker & pilot -- murdered in 1986.
Drew Thornton - major Kentucky drug trafficker & deceased since 1985
Bernie Cornfield - head of International Investors Services (IOS)
Robert Vesco - American fugitive for IOS scam & illegal donation to Nixon campaign
Edwin Wilson - CIA agent jailed for illegal profiteering
Roy Furmark - New York lawyer and associate with Adnan Khassogi & William Casey
Adnan Khassogi - Saudi businessman
Ishan Barbuti - Iraqi arms dealer
Manuchehr Gorbanifar - Iranian arms dealer
Kamal Taki - former Beirut judge & Mideast intelligence operative
Cyril Fairhurst - British intelligence specialist associated with rogue networks
Robert Chasen - former Commissioner of Customs & Wackenhut Director
Robert Frye - Wackenhut executive
Chinese Triad leaders - Hong Kong, Bangkok, Australia & Vancouver
Japanese Yakuza leaders - Hong Kong & Tokyo
Associated organized crime leaders in U.S. - Gotti et al
Khun Sa - Chinese national and opium warlord
Bernie Houghton - American living in Australia & owner of Bourbon & Beefsteak Pub
Michael Hand - former partner of Nugan Hand bank in Australia

THE OCTOPUS

by Daniel Casolaro

A story about eight people whose cloak and dagger activities have spanned the globe for nearly a half-century, THE OCTOPUS will unravel the most compelling puzzles of the last 40 years.

Exploiting the secret empires of international spy networks, the worldwide oil industry and organized crime from the Mafia to the Chinese Triads, compartmentalized penetrations by this octopus enables it to even control governmental institutions.

While a few of these eight men came together as an "impossible mission" force after a failed initiative into Albania in the fifties, all of them were involved in the frustrated Cuban Bay of Pigs invasion. Did that fail on purpose? And what did its failure accomplish?

Only two members of this octopus were required to exploit a right-wing faction as well as the Taiwan-led interests trying to cut in on Nixon's dance with China. Nixon was, after all, becoming impossible as far as the octopus was concerned. (There was also the matter of a call girl ring at the Columbia Plaza in Washington with peculiar liasons to the strongest leg of the octopus.) Surely these two men were surprised that their mission reaped such an accidental windfall — snowballing into what we know as Watergate. What was Nixon doing to so upset the octopus? What mistakes did the octopus make — even in light of its byproduct windfall?

A different, marginally more officious costume was worn in Chile. What

was that about and who killed Salvador Allende? Who killed Orlando Letelier?

Since this operation provided accumulated debt for favors performed, the octopus

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It didn't take many people to come front and center for the octopus in the design of the apparatus that would insure the renewal of the lease for the Pine Gap installation in Alice Springs, Australia. In this instance, another favor was being performed and it allowed the octopus to wear the right costume again as in Chile. It had some considerably profitable operations underway in Southeast Asia, Angola, Nigeria, Rhodesia and Mozambique. Politically correct assistance can cover your cover for anything. Here was a democracy in Australia that spit up a prime minister that could sack the security of the western alliance. This effort was indeed interesting. What happened to the missing money -- nearly a billion dollars?

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President Carter was becoming impossible for several legs of the octopus bruising it as badly as Nixon did. Why did the octopus come off the ocean floor for this operation in making sure that the hostages were not rescued? What happened to those Sea Stallion helicopters, the most dependable helicopter in aviation history? Hostages equals money but Reagan was not a favored son of the octopus. Why was it that the octopus helped to insure the election in 1980?

by holding the hostages until the Reagan victory. Even if the participation by key campaign friends was limited to just the acquiescence of smiling gentlemen who knew better, why was the necessary veil removed? Why was it done like this when it could have been so absolutely secret? Is the octopus making such serious mistakes? And what happened to all the money, billions of dollars in frozen assets?

Could another group be intruding on the turf of this octopus? A huge amount of money — several billion dollars — was raised for the Afghan freedom fighters. What happened to most of it? The freedom fighters didn't get it. Even the octopus had to fight for that. Why?

Exploiting foreign policy objectives with the Contras in Latin America was one thing but why was the creation of a Latin American equivalent to the Golden Triangle so irresistible?

Was it just a clever hand that the octopus participated in with its glass bead game in Kuwait? What about Kuwait's OPEC decisions which goaded Saddam Hussein into his takeover? What role did the octopus play?

Before it turns the reins over to several slightly younger players, the glass bead game continues right now — July, 1991 — on the tiny island nation of Dominica. Possessing the largest boiling deep water lake in the world, Dominica's geothermal potentiality is unmatched. It is here that the octopus may be making its boldest and most dangerous move yet.

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While a few of these eight men came together as an "impossible mission" force after a failed initiative into Albania in the fifties, all of them were involved in the frustrated Cuban Bay of Pigs invasion. Did that fail on purpose? THE OCTOPUS will answer that question.

Only several people were required to exploit a right-wing faction as well as Taiwan-led interests trying to cut in on Nixon's dance with China. There was also the matter of a call girl ring at a Washington hotel ~~near the Watergate~~ several of whom maintained ~~very peculiar~~ liasons with the man who kept the secrets. Could these two men sabotage their own plan for the mission that reaped a windfall -- snowballing into what we now know as Watergate. This story will tell you.

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NW: 15457 DocId: 70098640 Page 78
was this another case of wearing the right costume again, like in Chile? Politically

correct assistance can cover your cover for anything, drug trafficking from Southeast Asia, arms dealing around the world, murder. But what happened to the missing money -- nearly a billion dollars? This story will tell you. In its compartmentalized fashion, the octopus was hurt ever so slightly with this experience in one of its tentacles.

Who drove the Shah out of power? Can best friends do this to each other? THE OCTOPUS will explore the one area of weakness -- its lack of loyalty -- and explain some mistakes this beast made in the Mideast.

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AUG-14-91 WED 10:16

P. 06

JUL 22 '91 15:19 AT&T

P.6/8

44444

International (BOCI) suddenly a sacrificial lamb?

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JUL 22 '91 15:28 AT&T

P.7/B

On the Trail of the Money Catcher...

THE OCTOPUS

Cast of characters

Richard Helms - former Director of Central Intelligence & now head of SAFEER

Howard Hunt - former CIA agent and one of Watergate co-conspirators

George Pender - former CIA agent

John Nichols - former CIA agent and currently managing gambling casino on Essex

Ted Shackley - former CIA agent & now head of RESEARCH ASSOCIATES INTERNATIONAL

Tom Clines - former CIA agent & currently appealing sentence for tax fraud

Ray Cline - former CIA official

Harry Gillam - known also as "Double Deuce" and recently deceased

Eric Sercowles - internationally known British intelligence official

Kim Philby - British spy who worked for the Soviets and recently deceased

John Walker - head of the Walker spy ring and currently in jail

Edward Lee Howard - former CIA agent who worked for the Soviets & escaped to Moscow

Ronald Pelton - NSA employee who worked for the Soviets and currently in jail

Pat Moriarty - ex parte member of Reagan's California kitchen cabinet

Marshall Riconosciuto - partner of Pat Moriarty in largest fireworks company in U.S.

Michael Riconosciuto - self proclaimed scientist without portfolio & currently in jail

Paul Morasca - Michael Riconosciuto's partner & deceased since January 1982 -- murder

Fred Alvarez - Cabazon Indian & deceased since June 1981 -- murdered

Mary Quick - friend of Paul Morasca & deceased since 1982 -- murdered

Earl Brian - called the "genius doctor" in the Reagan California govt. Businessman.

NW: 15457 DocId: 70098640 Page 85 Bill Hamilton - president of Inslaw, company that developed tracking software PROMIS.

Red McDaniel - former POW and head of American Defense Institute

Danny Sheehan - head of Christic Institute

JUL 22 '91 15:21 AT&T

P.8/8

Harry Rupp - former CIA pilot & recently released from prison
Richard Brenneke - former CIA contract agent & recently acquitted for perjury
Donald Gregg - former CIA agent and currently Ambassador in South Korea
Prescott Bush - President George Bush's older brother
Prince Bandar - Saudi Arabian Ambassador to the U.S.
Ari Ben Menashi - former Mossad representative in Latin America
John Delarocque - close confidante of Ben Menashi and currently in St. Tropez
Gerald Bull - rocket scientist & developer of the super gun -- murdered in 1990.
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Edwin Wilson - CIA agent jailed for illegal profiteering
Roy Furmark - New York lawyer and associate with Adnan Khassogi & William Casey
Adnan Khassogi - Saudi businessman
Ishan Barbuti - Iraqi arms dealer
Manuchehr Gorbanifar - Iranian arms dealer
Kamal Taki - former Beirut judge & Mideast intelligence operative
Cyril Fairhurst - British intelligence specialist associated with rogue networks
Robert Chasen - former Commissioner of Customs & Wackenhut Director
Robert Frye - Wackenhut executive
Chinese Triad leaders - Hong Kong, Bangkok, Australia & Vancouver
Japanese Yakuza leaders - Hong Kong & Tokyo
Associated organized crime leaders in U.S. - Gotti et al
Khuu Sa - Chinese national and opium warlord
Bernie Houghton - American living in Australia & owner of Bourbon & Beefsteak Pub

Key Characters

Ray Cline

George Bush

Richard Helms

Howard Hunt

George Pender

John Nichols

Ted Shackley

Tom Clines ↔ Donald Gregg

Ray Cline
George Bush
Prescott

Nixon was dancing with China without the help

Pat Moriarty
John Nichols
Earl Brian
George Perder
Frank Carlucci
Casper Weinberger
Richard Helms
Kim Philby
Ted Shackley
Ray Cline
George Bush
Howard Hunt

Richard Helms
Howard Hunt

Ray Cline
George Bush
John Nichols
George Perder
Casper Weinberger
Frank Carlucci
Ted Shackley
Tom Cline
Kim Philby
John Walker
Ronald Pelton

Harry Gilman
Robert Maheu
Eric S. Cowles

This story is about a real life 'Mission Impossible' Team whose gifted force exploited the secret empire of intelligence agencies worldwide, BIG OIL and organized crime.

RBN's List

7/16/91

③ Cline ✓ OSS

② Pender ✓ OSS

④ Helms ✓ OSS

⑤ Shackley ✓ OSS

⑥ Nichols OSS

Hunt. OSS

Moriarty

Senator Byrd

① Howard Hunt OSS

⑦ Thomas Cline

⑧ Edwin Wilson

⑨ William Colby

⑩ Hussein Conin

H Order of the Mink — H

Just a bureaucrat
"Gale is a
Liar"

→ Dubatone.

→ Rockman Chang

→ ~~Fara~~
R. Fara.

→ Lavee

When you go into one of his homes, you will see a light in the book. The book has a hole in it. That hole is from a bullet.

→ Touias Israeli.

Stanley Sporkin — George Pender — John Nichols — Harry Rupp —
 Richard Helms — Howard Hunt —
 Ted Shackley — Thomas Clines —
 Pat Moriarty — an Ben Menashi — Shining Path
 John Delarocque — Richard Breunke —
 Senator Byrd — Ray Cline
 Prescott Bush — Robt Booth Nichols
 John Gotti —
 Sasagawa (Japanese Yakuza)
 Ray Cline
 Chinese Triads
 Bill Hamilton

RBN → 7/16/91

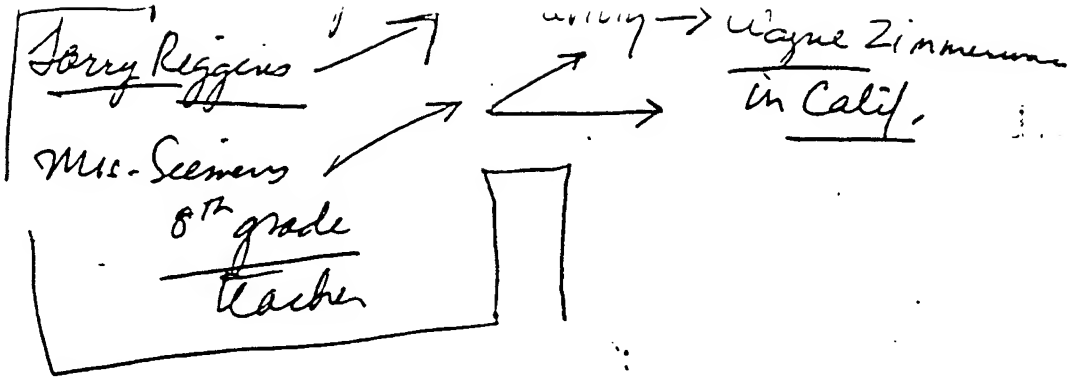
M K Moss — ^{Gorbachev.} Mustafa Kartana —

"His little guy has many pictures with heads of state — 12 or 14 pictures — but he charges them."

red label Scotch 1/8 of an ounce he drinks it, all day long.

Robert — Gates.

RBN'S
best
friends



CNN →

• effort •

false.

- duty free port
- bananas - 25 million -

- Jay Zeller -

Interprobe
- TUXCO -

• Oscar Blomgren -
(Chip)

• Engineering Company

AID. - Advanced Industrial Design -
Chicago?

Bob B.

Arvid R. Bankelsen

(moved from Chicago
to Houston)

? Chicago -
San Francisco
Atlanta
Houston

JUL 22 '91 15:18 AT&T

P.3/8

THE OCTOPUS

by Daniel Casolaro

This is the story of eight men whose real life "impossible mission" intrigues have dominated key events that span the globe for nearly a half-century. They are the men who make up THE OCTOPUS.

They are not government officials but their tentacles can reach into any part of government in almost any country including legitimate and rogue spy networks. They are not notable industrialists but they can pull the strings of the oil and banking empires at will. They are not known criminals but they have successfully penetrated all factions of organized crime including the Mafia, the Japanese Yakuza, the secret Chinese societies and the terrorist underground.

With its tageteam compartments, its exploitation of hundreds of people and its formidable stealth, THE OCTOPUS will help to unravel the most compelling puzzles of the twentieth century.

What may have begun for these few learned men as a utopian response to harsh post-war realities quickly gave way to what simple men have always known to be the real enemy which is selfishness and its allied forces of fear, greed and power.

While a few of these eight men came together to insure the failure of an initiative in Albania in the fifties, almost every one of them helped to frustrate the Cuban Bay of Pigs invasion. What did they do in Albania and with whom? What did the fiasco at the Bay of Pigs accomplish?

JUL 22 '91 15:18 AT&T

P.4/3

22222

President Nixon and his key advisors Attorney General John Mitchell and Henry Kissinger were becoming impossible as far as the octopus was concerned. They were bypassing normal circles of intelligence with Vietnamization and the China card. While this operation eventually reaped a windfall, a principal arm of the octopus was seriously at risk. How did all the pieces come together for the snowballing of Watergate?

A different, marginally more officious costume was worn in Chile with Salvador Allende. But there were separate factions at war competing with the octopus similar to the efforts in the Congo (Zaire) with Patrice Lumumba. Since the Chilean operation provided accumulated debt for favors performed, the octopus was now mature enough to know how to collect those debts. What were the favors performed? And what was the due bill?

It didn't take many people to design the apparatus that would insure the renewal of the lease for the Pine Gap installation near Alice Springs, Australia. After all, how could a democracy spit up a Prime Minister that could sack the security of the Western Alliance? What about the tentacle operations of the octopus in Angola, Rhodesia (Zimbabwe), Mozambique and Nigeria? Was this another case of wearing the right costume again, as in Chile? Politically correct assistance can cover the cover of the octopus for anything — drug trafficking, arms dealing and murder. But what happened to the money — nearly a billion dollars?

Who drove the Shah of Iran out of power? Since the great arm of the

NW: 15457 DocId: 70098640 Page 92
octopus was at risk again, how was this achieved? Can best friends do this to each other? And why?



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530.

FACIMILE TRANSMITTAL COVER SHEET

DATE : _____

TO : Steve Zipperstein

FACSIMILE No.: 213 - 894 - 2535

TELEPHONE No.: 213 - 894 - 2390

FROM : John C. Dwyer
Assistant Associate Attorney General

FACSIMILE No.: (202) 514 - 1724

TELEPHONE NO.: (202) 514 - 4969

NO. OF PAGES : _____

COMMENTS : F. Y. I.

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CORRESPONDENT OFFICE

62-21-384-9870

FAX: 62-21-380-7950

The Honorable Janet Reno
 Attorney General of the United States
 The U.S. Department of Justice
 10th Street and Constitution Avenue, N.W.
 Washington, DC 20530

Dear Attorney General Reno:

During the meeting that Mr. and Mrs. Hamilton, Mr. Charles Work, and I had with you on June 11, 1993, I requested that you seek the appointment of an Independent Counsel in the INSLAW case as soon as the statute was reenacted. You invited us to approach you again on the subject after the statute was renewed. Now that this has happened, I am writing to request that you exercise your authority under 28 U.S.C. § 591(c) to commence formally a preliminary investigation into the INSLAW matter and, upon a finding of reasonable grounds to believe that further investigation is warranted, to apply for the appointment of an Independent Counsel pursuant to 28 U.S.C. § 592. The Independent Counsel statute clearly contemplates the commencement of a preliminary investigation in a situation whose unique circumstances create an inescapable tension between two necessary Department of Justice functions and demand the conclusion that an investigation or prosecution by the Department of Justice "may result in a personal, financial, or political conflict of interest." 28 U.S.C. § 591(c).

The Department's conflict of interest was already apparent when, on August 19, 1988, I wrote Attorney General Thornburgh calling attention to the emphasis placed by the Senate Permanent Subcommittee on Investigations on the potential in the INSLAW affair for criminal cases against Department of Justice officials. My letter also pointed out that INSLAW's consequential damages claims were much larger than the judgment already rendered by the Bankruptcy Court. I then added:

As I am sure you can readily see, the circumstances place the Department of Justice in a situation of irreconcilable conflict

- 2 -

between its responsibility to enforce the criminal laws of the United States and its interest in minimizing its civil liability. The latter concern has thus far been dominant. Indeed, it has been manifested in the Department's total lack of cooperation with the Senate Permanent Subcommittee on Investigations.

Having heard nothing from Mr. Thornburgh for nearly a year, I wrote him on May 11, 1989 again calling attention to the conflict of interest involving the Department of Justice. This conflict, I wrote, "arises from the fact that the Department is defending itself against a civil suit brought by INSLAW while at the same time dealing with allegations of criminal conduct on the part of its own employees that would, if proven, destroy that very defense." As I also pointed out, "the manner in which the Department has up to now responded to the situation makes it apparent that defense of the civil suit has been given priority over the criminal investigation."

The same conflict of interest has manifested itself in many ways since 1989, notably in the onesidedness of the Bua Report and the neglect of important lines of investigation. One area in which the Departmental conflict of interest has from the outset been glaringly conspicuous embraces the situations in which the Department had a hand in attempts to put INSLAW out of business. INSLAW now has information pointing to the Department's complicity in a conspiracy to incapacitate INSLAW from litigating the theft of PROMIS. This new information strongly reinforces the justification for the appointment of Independent Counsel cited in my letters to Mr. Thornburgh. It is summarized in the paragraphs that follow.

In October, 1986, Leigh Ratiner, a partner at Dickstein, Shapiro and Morin who was serving as lead counsel for INSLAW's litigation against the Justice Department, separately informed me and Mr. and Mrs. Hamilton that he had just been fired from his partnership of ten years. Ratiner told us that the real but unstated reason for this sudden action was that he had included a reference to the negative bias against INSLAW of then Deputy Attorney General D. Lowell Jensen in the body of the Bankruptcy Court complaint. Jensen was a close personal friend of Attorney General Edwin Meese dating back to the 1960's when they served together in the Alameda County District Attorney's Office. Ratiner had reinserted a reference to Jensen's bias in the final version of the complaint at the insistence of Mr. and Mrs. Hamilton after the law firm had deleted all references to Jensen's misconduct from an earlier draft.

During the summer of 1987, in response to interrogatories from INSLAW's new litigation counsel, the Justice Department acknowledged that Attorney General Meese had talked to Leonard Garment, a senior partner at Dickstein, Shapiro and Morin, at the time of the Ratiner firing in October, 1986. Garment had represented Meese in a 1984 Independent Counsel investigation whose potential relevance to the Justice Department's theft of PROMIS is explained below. The Department additionally acknowledged that Garment told Meese that he had also recently discussed the INSLAW case with Deputy Attorney General Arnold Burns.

- 3 -

Neither INSLAW nor Ratiner was ever informed by Garment about these discussions with Meese and Burns. Moreover, Dickstein, Shapiro and Morin has never responded to a written request from INSLAW's new litigation counsel for an account of these discussions.

In February, 1988, Mr. and Mrs. Hamilton wrote to the Criminal Division's Public Integrity Section seeking a preliminary investigation preparatory to the appointment of an Independent Counsel in the INSLAW case. The Hamiltons summarized information supporting the hypothesis that the Justice Department's theft of PROMIS, recently found by the Bankruptcy Court, was part of a larger fraudulent scheme pursuant to which Attorney General Meese would give the federal government's PROMIS case management software business to another long-time friend, Earl W. Brian. One of the most serious allegations against Meese in the 1984 Independent Counsel investigation was that he failed to disclose his family's equity interest in two of Brian's companies because he intended to influence the award of U.S. Government contracts to Brian. In their written submission, the Hamiltons noted Garment's apparent dual role in the firing of Ratiner and in the earlier defense of Meese in the investigation of his undisclosed business ties to Brian.

The Criminal Division declined to interview Mr. and Mrs. Hamilton, the complaining witnesses. Notwithstanding that fact, the Criminal Division wrote to INSLAW in May, 1988 that the appointment of an Independent Counsel was "not warranted."

During the interval between the Hamiltons' submission and the Criminal Division's declination, Garment was quoted in the press as disputing Meese's recollection of their October, 1986, conversation. According to Garment, the conversation was about a foreign policy problem relating to Israel, not about INSLAW (see *Barron's*, April 4, 1988). At approximately the same time, another reporter told Mr. Hamilton that Garment had disclosed to him that the October, 1986 discussion with Meese was about a "back channel effort to resolve a foreign policy issue within the jurisdiction of DOJ and in connection with a trip abroad, Israel -- Pollard," according to Mr. Hamilton's contemporaneous, handwritten notes. According to Seymour Hersh's book, *The Sampson Option*, Garment had been retained by the Government of Israel earlier that year to represent an Israeli Air Force Colonel who was an accomplice of Jonathan Pollard in Israeli espionage against the United States.

A little more than a year after the Criminal Division sent its letter declining to seek an Independent Counsel, the Senate Permanent Investigations Subcommittee issued a staff report that shed new light on the firing of Ratiner. The Staff Report said that former Deputy Attorney General Burns admitted having had his own meeting on INSLAW with Garment in October, 1986 at which Burns criticized the litigation strategy that Ratiner was then pursuing against the Justice Department and indicated that a change in this strategy could lead to a negotiated settlement. The same report also said that Garment participated in a meeting of the law firm's Senior Policy Committee at which the decision to fire Ratiner was made.

- 4 -

Burns had earlier made substantially the same kind of proposal in writing directly to Ratiner. In a letter dated August 29, 1986, Burns had suggested that INSLAW's other contract disputes could be resolved very quickly once Ratiner persuaded INSLAW to abandon its claim for PROMIS license fees. Moreover, soon after firing Ratiner, the law firm effectively adopted Burns' proposed settlement strategy. In a letter to Mr. Hamilton dated January 15, 1987, it gave INSLAW an ultimatum either to abandon its claim for PROMIS license fees or to find new litigation counsel. It also demanded immediate authority to meet privately with the Justice Department to negotiate a settlement of INSLAW's other contract disputes. The letter implied that the firm already had knowledge of the Justice Department's negotiation posture on INSLAW and was confident that it could obtain at least \$1,000,000 from the Justice Department on account of INSLAW's other contract disputes, which then totalled just under \$2,000,000.

Profits of War, a book about the collaboration between Israel and the Reagan and Bush Administrations on covert intelligence operations, written by former Israeli intelligence officer, Ari Ben Menashe, and published in 1992, contains the following statement:

A few weeks before Ratiner's dismissal I had seen a cable that came in to the Joint Committee from the United States. It requested that a \$600,000 transfer from the CIA-Israeli slush fund be made to Earl Brian's firm, Hadron. The money, the cable said, was to be transferred by Brian to Leonard Garment's law firm, Dickstein and Shapiro, to be used to get one of the INSLAW lawyers, Leigh Ratiner, off the case. Ratiner, it seems, was removed for doing too good a job for INSLAW.

INSLAW has obtained independent corroboration of Ben Menashe's allegation. On December 16, 1993, I gave Assistant Associate Attorney General John Dwyer a copy of a letter addressed to me by counsel for a former employee of Dickstein, Shapiro and Morin stating that the former employee has first-hand knowledge of the truthfulness of key aspects of Ben Menashe's published allegation. At the same meeting, Mr. Work told Mr. Dwyer that a former partner at Dickstein, Shapiro and Morin had recently disclosed to one of Mr. Work's partners that the money to finance Ratiner's severance had come to the law firm from Israel through Earl Brian at Hadron, Inc.

Mr. Dwyer interviewed the former employee in February, 1994. In this interview, the latter reportedly confirmed the receipt at Dickstein, Shapiro and Morin of a lump-sum payment from a client in the approximate amount and at the approximate time claimed by Ben Menashe. Moreover, according to the former employee, the funds from this payment were specifically segregated by the law firm to finance the next five years of severance payments to Ratiner. This former employee also told Mr. Dwyer where he could find additional corroborative testimonial and documentary evidence on the matter.

- 5 -

Although INSLAW did not know the name of the former Dickstein, Shapiro and Morin partner at the December, 1993 meeting with Mr. Dwyer, Mr. Dwyer later managed to identify and contact the former partner. An attorney for this former partner subsequently met with Mr. Dwyer and told him that the former partner could not voluntarily answer Mr. Dwyer's questions because he and other lawyers and paralegals at Dickstein, Shapiro and Morin had been obliged to sign agreements promising never voluntarily to disclose what they knew about the circumstances of Ratiner's departure. Although we are told that Mr. Dwyer never sought a copy of the agreement from the former partner or his counsel, he did ask the former partner to discontinue his communications with INSLAW on the subject.

It thus appears that Ratiner's draft complaint and Israeli espionage were not two unrelated subjects but two aspects of the same subject. Both aspects, moreover, implicate the Department in an effort to deprive INSLAW of counsel for the conduct of its litigation arising from the Department's theft of PROMIS. That this is what happened is strongly corroborated by the circumstance that the same Israeli intelligence official, Rafi Eitan, was a central player in both of the scandals that were then simultaneously unfolding -- the Pollard espionage case and the INSLAW affair. Rafi Eitan's role as Pollard's Israeli spymaster became publicly known in 1986. Rafi Eitan's role as an apparent accomplice of U.S. Justice Department officials in the 1983 theft of PROMIS from INSLAW did not become publicly known until 1993. As of October, 1986, however, it would surely have been known at least by Garment's official Israeli client and by the U.S. Department of Justice.

With the aid of a photographic line-up, INSLAW discovered in 1993 that Rafi Eitan was the Israeli Government official whom the U.S. Justice Department sent to INSLAW for a demonstration and briefing on the proprietary version of PROMIS ten years earlier, in February, 1983. He represented himself, however, as being Dr. Joseph Ben Or, a visiting Israeli prosecutor. In May, 1983, the Justice Department secretly turned over a copy of PROMIS to an Israeli Government official, according to the September 1992 Investigative Report by the House Judiciary Committee. During the interval between Rafi Eitan's visit to INSLAW and the secret conveyance of PROMIS to Israel occurred the Department's theft "through trickery, fraud and deceit," of the very same version of PROMIS that INSLAW demonstrated to Rafi Eitan.

There may, however, be an additional explanation for the differing accounts of the October, 1986 meetings. Much of Pollard's espionage for Israel took place through Pollard's use of computer terminals located in his U.S. Navy intelligence office to gain remote access, via encrypted telecommunications, to computerized databases of U.S. intelligence agencies. In at least 1984 and 1985, according to *The Sampson Option*, a recently-published book on Israel's nuclear warfare capability, by Seymour Hersh, Israel's principal espionage assignment for Pollard was to determine what information about Israel's nuclear warfare capabilities and plans was contained in U.S. intelligence agencies' computerized files. Hersh says that Israel's role in nuclear proliferation had become one of the foremost concerns of the two principal U.S.

- 6 -

intelligence agencies on the nuclear proliferation problem. Both of these agencies, the Los Alamos National Laboratory and the Sandia National Laboratory, happen to be based in New Mexico, a fact whose potential significance is explained below.

The sale in New Mexico by an alleged Israeli intelligence agent of computer software which, according to a government response to INSLAW, may be PROMIS, triggered an FBI counterintelligence investigation in early 1984. INSLAW learned about this investigation in January, 1994 when it obtained 18 pages of highly classified, but heavily redacted documents from the FBI in response to a Freedom of Information Act (FOIA) request about the involvement of the late British publisher Robert Maxwell in the "dissemination, marketing or sale of computer software systems, including but not limited to the PROMIS computer software product between 1983 and 1992." A long-time agent for Israeli intelligence, Maxwell had on at least one occasion, according to *The Sampson Option*, played an important role in helping Israeli intelligence prevent disclosures about Israel's nuclear capability. *Profits of War* adds that several Maxwell-controlled corporations also served as cutouts for various Allied intelligence agencies, including both U.S. and Israeli intelligence agencies, in the sale of stolen copies of PROMIS to foreign intelligence agencies.

Numerous INSLAW sources claim that the objective of such sales was twofold: first, to induce the target foreign intelligence agencies to maintain their secret intelligence files on computers through the use of the PROMIS software, and, second, to structure the PROMIS implementations in such a way as to make the computerized intelligence files vulnerable to penetration by Allied intelligence.

The plausibility of Los Alamos and Sandia using PROMIS to manage their intelligence files is strengthened by the claims of numerous witnesses that stolen copies of PROMIS have become the *de facto* standard database management software systems for U.S. intelligence agencies, and by the official U.S. Government acknowledgement that both the CIA and the NSA are using identical software to track their intelligence information and that the software in question is called PROMIS.

According to the few readable portions of the FBI documents, Maxwell conducted his business in New Mexico through one of his publishing companies, Pergamon International. Later, two of the senior computer systems executives in the Meese Justice Department took positions with another Maxwell publishing company, a tiny start-up in McLean, Virginia, known as Pergamon-Brassey's International Defense Publishers, Inc. At least one of these officials, George Vaveris, had been substantially involved with the Justice Department's use of the PROMIS software.

Last week, *The Daily Mirror*, the flagship of Maxwell's newspaper empire, issued a public apology to Seymour Hersh for having earlier accused Hersh of libel in regard to statements in *The Sampson Option* about Maxwell and *The Daily Mirror*. Hersh had linked Maxwell to Israeli intelligence and had also stated that the foreign editor of *The Daily Mirror*

- 7 -

had helped Maxwell and Israeli intelligence kidnap and return to Israel an Israeli nuclear technician who was planning to disclose information to London newspapers about Israel's nuclear warfare capabilities. According to an article in *The New York Times* on August 19, 1994, *The Daily Mirror* recently settled libel litigation with Hersh by publicly admitting that Hersh had been "fully justified in writing what he did" and by paying Hersh an undisclosed amount of financial damages.

Although Assistant Associate Attorney General Dwyer assured me in writing that the unreadable portions of the FBI documents on Maxwell's New Mexico software sale do not include references to PROMIS, Mr. Dwyer also acknowledged that he does not have a Sensitive Compartmented Information (SCI) security clearance. Such a clearance would appear to be a prerequisite to addressing authoritatively the question of whether the U.S. Government learned of a sale of PROMIS by Maxwell to two U.S. intelligence agencies in New Mexico.

The record of the Justice Department's failure to conduct a fair and thorough investigation of the wrongdoing against INSLAW, when evaluated against the backdrop of the Department's collusion in the firing of INSLAW's litigation counsel, virtually compels the decision that the Department should recuse itself from any further role in the criminal investigation of the INSLAW affair.

In making your determination on whether to seek appointment of an Independent Counsel, I am sure that you will also wish to consider the following account of possible Justice Department obstruction in 1994 of a federal criminal investigation related to the INSLAW case. It is an investigation that focuses on Peter Videnieks, one of the key Justice Department players in the conspiracy. As the Justice Department's Contracting Officer on the INSLAW contract, Videnieks wrongfully withheld about \$2 million due INSLAW.

The investigation referred to above is one that the U.S. Customs Service has been conducting for the past two years. The Customs Service Internal Affairs investigation is focused on the question of whether Videnieks, who now heads one of the service's procurement divisions, committed perjury in denying under oath any knowledge of or relationship with several others from the private sector who appear to have played roles in the INSLAW affair: Earl W. Brian, Dominick Laiti, or Michael Riconosciuto. The Customs Service investigators have taken sworn statements from a number of individuals across the country, some of whom are in contact with INSLAW. Based on these contacts, INSLAW is aware that at least several witnesses have made detailed statements under oath that contradict Videnieks' own sworn statements.

INSLAW has also received information from a confidential source that the Customs Service investigators made a written request to Mr. Dwyer for federal grand jury support for their ongoing federal criminal investigation. The request was backed up by a memorandum summarizing the evidence they had been able to obtain without benefit of a grand jury. Mr.

- 8 -

Dwyer not only refused their request for access to a federal grand jury but also refused to allow them to examine the record of sworn testimony before the Bua grand jury for possible discrepancies with other sworn statements by the same witnesses.

I attempted to determine whether the report is accurate in the course of a recent meeting with the Customs Service investigators, but they explained that Customs Service policy precluded them from either confirming or denying such a report. I gave them a recent affidavit from William R. Turner, who was an associate of Danny Casolaro. As you may know, Casolaro, an investigative journalist, was found dead in Martinsburg, West Virginia where he had gone for a final, follow-up meeting with sources on the INSLAW case. Turner claims that Casolaro told him the afternoon before his death that he planned to meet in Martinsburg later that evening with several individuals, including Peter Videnieks and a U.S. Army covert intelligence operative. Casolaro planned, Turner says, to show Videnieks and the Army intelligence operative copies of highly classified intelligence documentation from NSA on wire transfers of money from illegal sales of PROMIS to offshore bank accounts belonging to Videnieks, the Army intelligence operative, and others. Casolaro had also told Mr. and Mrs. Hamilton of his preparations, in what turned out to be the final days of his life, for a meeting with Videnieks and the same covert U.S. Army intelligence operative.

Chairman Jack Brooks of the House Judiciary Committee eloquently described the need for the appointment of an Independent Counsel in the INSLAW case two years ago next month:

Indeed if we are to have even-handed, fair-minded justice, then the agents of justice must submit to independent and neutral scrutiny for their wrongful actions, as every citizen must. And that is not a clever concept, that is a fundamental premise of this Republic.

The Justice Department's failure to enforce the federal criminal laws in the INSLAW affair has been matched by its equally persistent refusal to render ordinary civil justice to INSLAW. Deputy Attorney General Burns, in effect, linked any possible payment to INSLAW of amounts wrongfully withheld to INSLAW's willingness to accede to the theft of the proprietary version of PROMIS. Later, after INSLAW had proven the Justice Department's theft in court, Attorney General Thornburgh deferred any decision on payment for the software or services pending the outcome of the Justice Department's repeated appeals. Thornburgh simultaneously stonewalled the House Judiciary Committee's investigation. Attorney General Barr later deferred any decision on paying INSLAW for the software and services pending the outcome of the investigation that Special Counsel Bua was conducting under Barr's direction. Originally slated as a 120-day investigation, it dragged on for 17 months and never even addressed INSLAW's civil claims.

On the eve of your own confirmation as Attorney General, the outgoing Acting Attorney General met with a member of the Senate Judiciary Committee who had been questioning you about the INSLAW case during the confirmation hearings. As Mr. Work recently learned from

- 9 -

the Senator, Acting Attorney General Stuart Gerson confirmed to him that the Justice Department owes INSLAW money. But 17 months into your tenure as Attorney General, the Justice Department still has not paid INSLAW for the undisputed, decade-long use of the proprietary version of PROMIS in the 40-plus largest U.S. Attorneys' offices or for the services payments wrongfully withheld by Videnieks.

In his first State of the Union message President Abraham Lincoln said this:

It is as much the duty of Government to render
prompt justice against itself in favor of citizens,
as it is to administer the same between individuals.

With best wishes,

Respectfully,



Elliot L. Richardson

cc: Chairman Jack Brooks, House Committee on the Judiciary
Chairman Dan Glickman, House Permanent Select Committee on Intelligence

Tom,

This is the report from
the medical examiner and photos
of the death scene re Donny
Casolaro.

Peter

~~Back~~ Downstairs Bedroom
File Cabinet Nothing in it.

Bathroom (Downstairs)
Rite Aid Dr. Cordell Mills 4-24-88
Cephalexin

To Police Chief
Martin Mills, W. Va
Re: Danny Casolaro
Case -

Roberta Hamlin
4477 Ft. Jackson Blvd.
Columbia, South Carolina 29209

August 14, 1991

803-787-5784

Mr. Jack Blum, Attorney
1275 K Street, N.W.
Washington, D.C.

Dear Mr. Blum,

I saw you on the MacNeil-Leher NewsHour last P.M. There is another segment that quite possibly merit discussion; the El Paso Aspect!

The Department of the Army, the White House, and politicians have done their best to prevent and obstruct this aspect - and their arsenal of dirty methods are extensive!

I provided Senator Al Gore's office in Knoxville, Tenn. an outline that you can obtain if you wish.

1. I tumbled onto a mess. An arms permit was provided a known mafia boss. He died and was inappropriately processed thro' an Army hospital. No coroner was called. No autopsy (he was Christian Science and did not qualify for exemptions). A local civilian accupuncturist signed the death certificate at William Beaumont Army Medical Center. No probate filed. The deceased is still on the tax records and still a "property owner and paying taxes". The permit is valid as long as the mafia boss (now deceased) is technically "alive". The ramifications of that can be obtained from the following:

1. C. Boyden Gray
2. Gov. C. Campbell, S.C.
3. Sen. Sam Munn
4. Pres. George Bush
5. Sen. Strom Thurmond *Sen Strom Thurmond*
6. Justice Department *Justice Dept.*
7. Clerk of Court, El Paso
8. Gen. Carl Vuono, Pentagon
9. Ms. Robertson, Army Surgeon General's office
10. U.S. Attorney, El Paso and San Antonio
11. Sen. Robert Dole **

My case is the reason that Sen Strom Thurmond endorsed Bob Dole.

In 1987 I sent the El Paso - crime - money laundry - etc. to Sen Thurmond to deal with. I provided tape to Court, Army, et al of money laundry aspect - Cayman Island, Miami, Canada. This particular group of "Christian Investors" was headed by a Chinese man who knows our tax laws, etc extremely well. That should be available from Mary Sue at the

Republican Party Headquarters at Columbia, South Carolina as I left it for her to channel upward to get someone to clean this up.

IF MY STORY HAD NO MERIT I would not have undergone the horrors that have been my experience since I tumbled into it. I am left disable following catastrophic surgery at William Beaumont Army Medical Center - it was no accident. I was told I had A-typical ductal dysplasia. I have a strong family history of cancer. Bilateral mastectomies were performed (badly) in December 1986. In late 1987 I got my hands on the Biopsy - NORMAL BREAST TISSUE. (I had gone to the authorities on various aspects I'd become aware of - ultimately including 2 murders in connection with this mess.) I retained an attorney. Two federal agents went to his office and confiscated my files and he was induced to terminate representation. I proceeded Informa Pauperis Pro se. Mag. Henry Hudspeth gave written instructions to William Strouse, Federal Clerk of Courts, El Paso, Texas to hand pick Judge Emilio Garza. He did. Judge Garza conducted a hearing that I filed an appeal at 5th Circuit Court of Appeals. When I found out Judge Garza was handpicked (after the hearing in which he gave a ruling, the U.S. Attorney's office informed me is not accurate. I discovered he's been illegally selected, Judge Garza was removed in open court.) NO TRANSCRIPTS OF ORIGINAL HEARING ARE AVAILABLE TO ME - neither pro se or for money. The Fed Court Recorder simply will not provide transcripts of the hearing. The appeal was lost because of inability to timely access to transcripts. There are countless violations.

George Bush personally interacted with Social Security Comm. Dorcas Hardy to obstruct SSI. If I had no money, couldn't work, lost home, etc., I'd drown in a sea of faceless, homeless people. Eventually it was reviewed by Fed. Judge Boltz who determined I AM disabled physically and am mentally sound. They had gotten a psychiatrist I'd never met to sign I have no physical problem - I'm a nut! Thus no benefits. IF I were crazy it would not matter as the FACTS stand on their own! I did lose my 4 bedroom brick home and all I owned thanks to their conspiracy to obstruct Justice and their endeavor to silence me. According to workers at Rep. Party Hdqts. it was Jim Steel of Rep. Party Hdqts. in D.C. who orchestrated it from Houston. Letter head said "Vice Presidents's office - Houston, Texas" and instructed Social Security to interact with Betty Greene there. (There is no V.P. Office in Houston. It was Bush for President.) A secretary in D. Hardy's office got my file to me - full of Political correspondence they should NOT have had access to.

This went out in yesterday's mail - today I saw Article on the murder of D. Casolaro.

I had labeled it a "Hydra-headed monster" - There is strong chance it will dovetail to the "Octopus". One thing without question is I

was mutilated & they intended to kill me! I hope it will assist in lending credence to the need for a full scale investigation.

will you kindly please give this, a zero of it to Mr. Elliott Richardson? (atty)

I have been unable to locate him. My phone mail is monitored my home broken into several times files taken - my case Amplified his - & he has been warned & may be killed. It will tie to mafia in El Paso. NW 315459 DocId:30098640 Page 105

Roberta Hamlin

This is too long to go into much more. I came to S.C. and lived under RICO. The local Federal Judge called it frivolous in order to protect politicians! He gets REAL tough on Black ones but treason he calls frivolous!

Illegal actions by "my" government are too extensive to enumerate here.

Col. Hopson, Army Claims Office, denied my claim as "necessary surgery - properly performed". He may very well have been given inappropriate information on which to base his decision. The Dept. of

Army has absolute knowledge it was not necessary since their biopsy showed normal breast tissue and I was left permanently disabled and in constant pain. It was NOT properly performed! I was physically beaten in surgery and those photos are in Army's files - as well as Sen. Nunn, etc. Therefore I have presented the Dept of Army the enclosed proposal.

Would you be interest in representing a mutilated old lady who knows way too much? I receive \$407.00 SSI a month to "live" on. My 3 grandchildren arrived last P.M. I can't pay a retainer but to re-file under RICO in D.C. would flush out alot of politicians before it is over! My preference is that the Army agree to my proposal and re-consider the claim filed in the Army Claims Dept. about Aug. 1987 and they clean it up. The El Paso connection involves alot of international and multi-national aspects. The Japanese one is hairy. So is Gilberto Ontiveros the Mexican Drug King Pin who ties into Noriega and the White House. When it involves the U.S. Army the risks are obvious. Toss in a contaminated Federal Court and we are a nation in trouble. Judge Garza was Bush's choice for Supreme Court. When I made clear I intend to be there and tell my story he ran like a dog with his tail between his legs.

I may be just one (1) old lady but I'm an AMERICAN CITIZEN who has been denied due process by dirty politicians and THAT is important. IF the Dept of Army has not truly engaged in illegal conduct here they have no reason to deny appropriate compensation for a "botched job" and they will issue a check immediately. In that case, of course, there would be no need for filing under RICO or anything else. I'd go buy us a home and bake cookies with my grandchildren. And proceed with whatever care and treatment may be appropriate for my daughter's care.

I'm enclosing letter from Sen Nunn and Sen Thurmond received this week. Sen Thurmond is obtuse. Sen Nunn missed the point. I went to him because it is his JOB and he's paid to handle things like U.S. Army. I'd gone to Sen. Hollings long ago and he has made no responses. South Carolina politics are so crime riddles its absurd. When the situation involves the very foundation of our national security its not appropriate to be head of a committee and pass the buck! Sen. Thurmond handled the bank mess by sending it back en toto like he had a hot potato - and so it is.

I have contacted Tom Foley in this regard, also.

I am sending copies of this to several as a privacy act release - ie the 11 named in the body of the letter. So you can proceed if you wish.

R. Hamlin

P.S. My local bank has sent my cancelled checks else where for the past 3 months. Changed data on my account at First Savings Bank. Written request for correcting the situation has availed not. They

refuse to inform me of the particulars but I sure got hamstrung by them. Is it politically crinated harassment, inept banking processing or did "some interested party" involved the experience at hand ~~with~~ my banking cancelled checks, etc. The Bank President in Columbia and the main bank in Greenville, S.C. decline to clarify. WHY?

Roberta Hamlin

Det. T. J. RAKER #724
Phila. Police Dept.
Homicide Division
Police Administration Bldg. Room 104
8th and Race Sts.
Phila. Pa. 19106

5a. Dodd



114

Det. T. J. Catlett
Martinsburg City Police
232 N. Queen St.
Martinsburg, W.V. 25401



8/19/91

Catlett

File

Police re-open case of dead BCCI writer

By Jerry Seper
THE WASHINGTON TIMES

The mysterious death Saturday of a Fairfax man working on a book dealing in part with the scandal-plagued Bank of Credit and Commerce International has prompted inquiries from the FBI, DEA and the House Judiciary Committee.

The death of Daniel Casolaro came just one day after he received the latest in a series of anonymous death threats. Mr. Casolaro, 44, was a freelance writer and former computer newsletter editor.

Mr. Casolaro's body was discovered in a bathtub at the Martinsburg, W.Va., Sheraton hotel, an artery in his upper arm severed by a broken beer bottle. Martinsburg police, who declined to comment on the case yesterday, initially ruled the death a suicide.

But questions raised by his brother, Fairfax surgeon Dr. Anthony Casolaro, have led police to reopen their investigation.

Dr. Casolaro said yesterday his brother told him five days before his death that he had been threatened by anonymous callers and warned to end his investigation into an alleged criminal conspiracy involving political leaders and arms and drug dealers.

The doctor also said his brother told a colleague that he was close to putting the conspiracy together and was going to meet someone with critical information. Dr. Casolaro said, however, he did not know where the meeting was to be held or who would be there.

Mr. Casolaro's housekeeper, Olga Mokros, said yesterday evening she received a telephone call on Friday from an unidentified man who told her to tell her employer: "You're a son-of-a-bitch. You're dead." It was one of several similar calls she said she had received over the past few weeks.

"There were a lot of calls, and I told Mr. Casolaro about them," she said. "He always told me not to worry about them."

The Martinsburg Police Department's decision to re-open the case was accompanied by telephone inquiries from the FBI, U.S. Drug Enforcement Administration and the House Judiciary Committee, Dr. Casolaro said.

"I can tell you that the case has been re-opened and that the FBI, the

DEA and the House Judiciary Committee called and asked several questions," he said. "But they also asked me not to say anything about the calls."

FBI, DEA and House Judiciary Committee spokesmen were not available last night for comment. An FBI official in Martinsburg said he was aware of the death, but that the bureau as of late afternoon yesterday was "not involved at this time."

At his request, Dr. Casolaro said, police moved the body to the University of West Virginia in Morgantown, where an autopsy is scheduled for today or tomorrow.

Dr. Casolaro said that part of his brother's research on the book involved BCCI, which is now the subject of an international investigation, and an alleged conspiracy involving the theft by high-ranking former Justice Department officials of a computer software program developed by Inslaw Inc., a Washington-based firm.

"He had been working on the project for 18 months and believed that a giant criminal conspiracy existed, which he called the Octopus," said Dr. Casolaro. "I believe he was close to putting it all together."

He said his brother had gathered numerous documents during the course of his research, but only one was found at his Fairfax home after being moved to safety last night.

Ellen Casolaro said she inspected her brother's house yesterday and was convinced that many documents were missing. "There were a lot of documents, and they are not all here," she said. "We just don't know where they went."

However, Dr. Casolaro said he was not sure if anything was missing.

The doctor said his brother had been "upbeat" during the past few weeks because of the potential sale of his book. He had recently completed an extensive outline and was confident that one of two publishers who had expressed an interest in it would come up with advance money to continue the project.

"Nobody wants to believe a family member would commit suicide," Dr. Casolaro said. "But I knew him, and if he was going to kill himself he would not have done it with a beer bottle."

An unsigned note was found at the scene, according to Dr. Casolaro, which said, "I'm sorry, especially to my son."



Photo by Stinger missile launcher.

bs Croats

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to acquire.

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Mr. Jurkovic,
a Chicago, the
las Det. J.
a. Branko Maj-

sotoric, 36, of Yugoslavia and Ivan Beslic, 35, a Yugoslavian living in Chicago.

Mrs. Hallett declined to comment on how extensive any Croatian terrorist network might be in the United States or whether it was located in the Chicago area, where three of the four suspects lived.

"In Chicago alone, there are approximately 30,000 Croats who live in that general area," she said. "We do know that a number of them over the years have received extortionist letters, and so this is very important to us to be able to get additional information, and of course it's very important to the FBI."

She said, however, there was no evidence that the four had the backing of any foreign state or agency.

"Now, that may come out in the investigation," she said. "It is important, however, to point out that there was no reason not to believe their statements that they did have the funds to purchase all of the order that they were trying to acquire."

inances

rections Costs

or fiscal 1992 total \$15.1 largest dollar increase in

a, with a \$6.6 billion tax nd Pennsylvania, with a tax increase, accounted rds of this amount, ac- the report.

l increase could swell to \$18 billion depending on ns in three states where increases are expected -Texas, Missouri and t.

es not begin the new fis- il Oct. 1 and in Missouri, ge will be put to a voter

November. Mean- necticut, Gov. Lowell P.

(l) has vetoed three sed by the legislature, necticut as the only state ng without a budget.

terday disputed the as- some economists that stit tax increases will over, by draining funds onomy. He said most of would be put back into y through a variety of

state programs and that the eco- nomic impact of state taxes was "insignificant" when compared to the federal budget deficit.

The NCSL report said state gen- eral fund expenditures are projected to grow by 4.2 percent in fiscal 1992, the lowest increase in spending since 1983 and only slightly more than the projected 4 percent inflation rate.

The report warned, however, that these projections may be too optimistic because of the explosive growth in spending for Medicaid and for corrections programs.

"Health care cost inflation alone will probably double the estimated increase" of 11.8 percent in Med- icaid spending, and a projected 7.6 percent increase in spending for corrections "in all probability" treat- ly underestimates what actual spending will be," the report said.

The growing spending demands of Medicaid and corrections have cut the amount of state funds avail- able for education, another primary state responsibility.

fiscal 1991, according to the Medicaid spending grew by percent and corrections by 17 percent. In the same year, state spending for ed- ucation grew by only 3 percent and state support for higher education declined slightly.

Area Writer Investigating Inslaw Case Found Dead

Freelancer Went to Meet Source, Friends Say

By Gary Lee
Washington Post Staff Writer

A Washington-area freelance writer was found dead in a Martins- burg, W.Va., hotel Saturday in the midst of investigating an eight- year-old politically charged dispute between the Justice Department and the Inslaw Co., a local computer software firm.

Daniel Casolaro was d ivered in the Martinsburg Sher after telling friends that he was to West Virginia to meet a source who had intimate knowledge of the In- slaw case. Hotel employees found the 44-year-old Fairfax man in a bathtub with his wrists cut, Mar- tinsburg police reported.

Martinsburg police originally ruled the death a suicide but are now investigating it furth- spokesman said. An autopsy on the body has been ordered, the spokes- man added, declining further com- ment.

Former attorney general Elliot Richardson, who is acting as coun- sel to the owners of Inslaw, said Justice Department officials told him they were conducting a sepa- rate probe into the death. A depart- ment spokesman was unavailable for comment.

The Inslaw case has been at the center of an intensive legal battle since 1983. Company owners Bill and Nancy Hamilton charge that the Justice Department stole \$6 million worth of computer software from them that had been designed to help law enforcement officials track cases. Inslaw has alleged in court that department officials in the Reagan administration then used "trickery, fraud and deceit" and harassed the firm in an effort to drive it out of business. A House Judiciary subcommittee is investi- gating the case.

The Justice Department rejects the charges, however, and the case has been entangled in court for eight years.

Friends and relatives strongly suspect play, though they presented no evidence of it. They cited what they called the strange coincidence of Casolaro's death and the research into the controversial Inslaw case. "He had been research- ing this thing for a long time and was very excited about the infor- mation he was finally getting," said Benjamin Mason, a close friend of Casolaro's who met with him last Tuesday, the day before he left for Martinsburg. "He was in good spir- its and very excited about the source he was to see in West Virginia."

"There is no way in the world that he would have killed himself," added Mason, the last acquaintance to see Casolaro alive.

Friends say their suspicions have been piqued by several curious in- cidents, including a call to Ca- solaro's home Saturday night. Ca- solaro's brother, Anthony Casolaro, said a maid at Daniel's home an- swered the phone and heard a man's voice say: "You're dead, you bastard."

Casolaro began investigating the Inslaw case last year and planned to write a book about it. "He had been digging into stuff for months and getting nowhere," his brother said in a telephone interview. "Then, suddenly, he said he had this big breakthrough, some source he had. And now this."

Casolaro's friends have moved to protect materials that he had been gathering in the case.

Casolaro, an investigative report- er and writer, had published two novels, a book of short stories and several investigative articles. He was researching the Inslaw case as part of a book project on the "Oc- tober surprise," the allegations that Reagan campaign officials in 1980 engineered the timing of the re- lease of hostages from Iran to aid the GOP election bid.

mbulance for Snoops

as about 2 1/2 miles clos- 's house than the coun- ce that reached him minutes after the call. action "may have con- he death of one of our id Irma Sponsler, who ld ask the city's ethics to investigate.

r was defended by for- Roger Moyer, who said d such uses of ambu- g his term from 1965 to

said he would ask the blic Safety Committee te the incident.

s been no evidence that contributed to Sharp's.

s of Sharp's family said upset about the way the handled and blamed city

and father still had a pulse called. He might be alive if been a delay," said

Tabatha Sharps, the dead man's granddaughter.

During the last year, Annapolis Fire Department Capt. George Sher- lock said, city ambulance crews transported people outside of Annap- olis 13 times. Of those trips, made between July 1, 1990, and June 30, 1991, all but two involved high- priority, emergency patients needing transfer from Anne Arundel Medical Center to Baltimore hospitals for more sophisticated care.

One of the two exceptions was an April 7 trip in which Snoops, suffer- ing from "muscle spasms," was transported from the mansion to Mercy Hospital in Baltimore.

Sherlock said the acting battalion chief on duty authorized the trip, a decision that sparked discussion within the department of whether it had been an appropriate exception.

PARK FREE IN OUR LOT

CW

AND ATLANTIC GARAGE

AUSTRALIAN

FAX COVER PAGE

DATE:

August 13, 1991

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

NAME:

Chief Smith, Chief of Police - Martinsburg, WV

FAX NUMBER:

304-263-0808

FROM:

Tim ButcherTOTAL NUMBER OF PAGES,
INCLUDING COVER PAGE:3

COMMENTS:

Regarding the Caselero investigation

F&I. I think this will be of

interest to you.

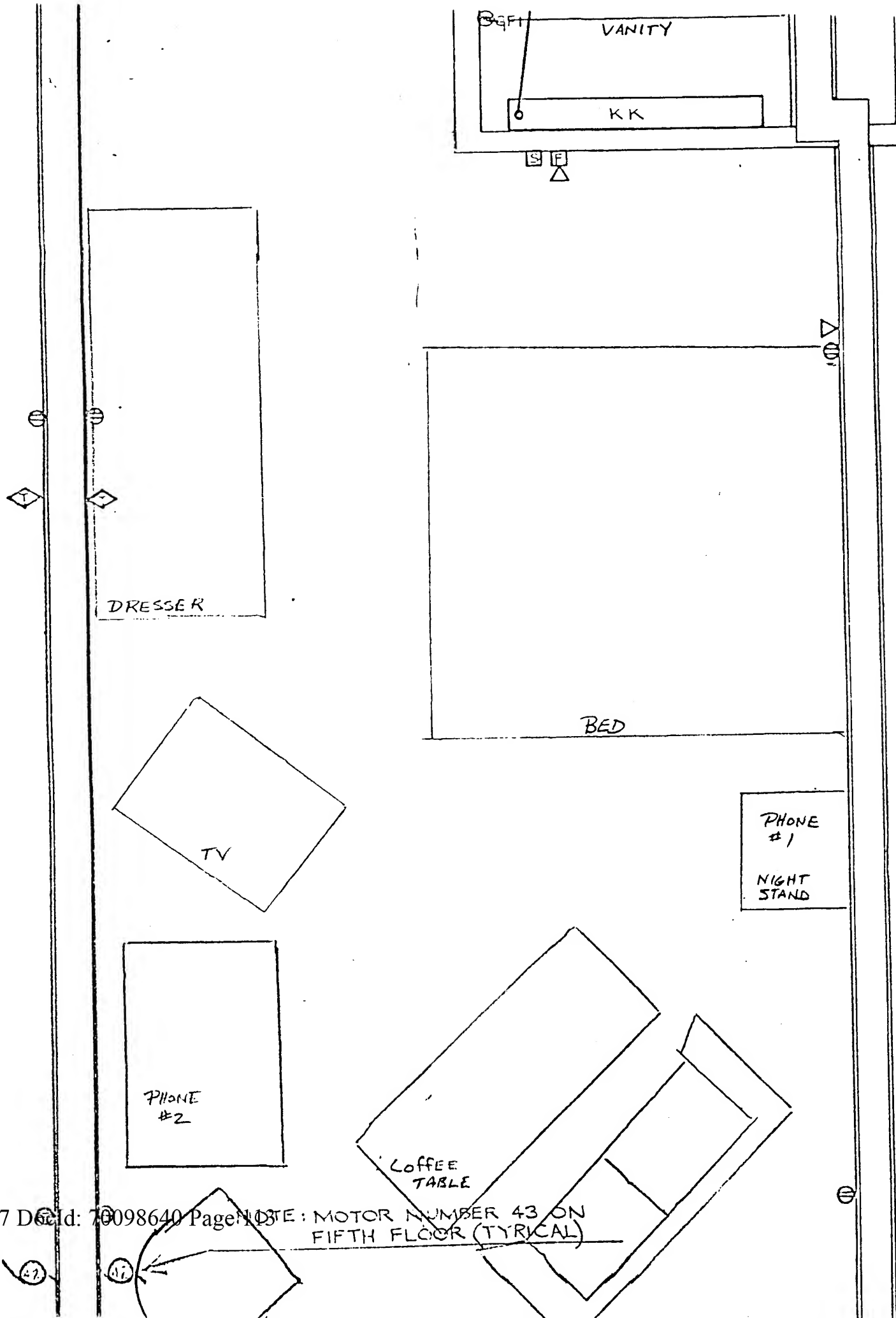
Tim Butcher

If you have any problems with
this transmission, please call:

(703) 448-7700

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8245 Boone Boulevard, Suite 800, Vienna, VA 22182 (703) 448-7700 Fax (703) 847-0531



NW: 15457 DocId: 70098640 Page 103 NOTE: MOTOR NUMBER 43 ON FIFTH FLOOR (TYRICAL)


COLORADO DRIVER'S LICENSE

K 87447 EXPIRES CHILDREN 1 YEAR
ADULT ()
05219041A

JOSEPH DANIEL CASOLARO
GEN DEL 922 DEERPATH RD
DILLON, CO 80435

020869 M 165 5 09 BRN BLU
DATE OF BIRTH SEX HT WT HA EYES
PREVIOUS LIC RESTRICTION HT HA HA HA HA HA
P760551

X



Interview

Dr. Cisolino

+
Art Winfield

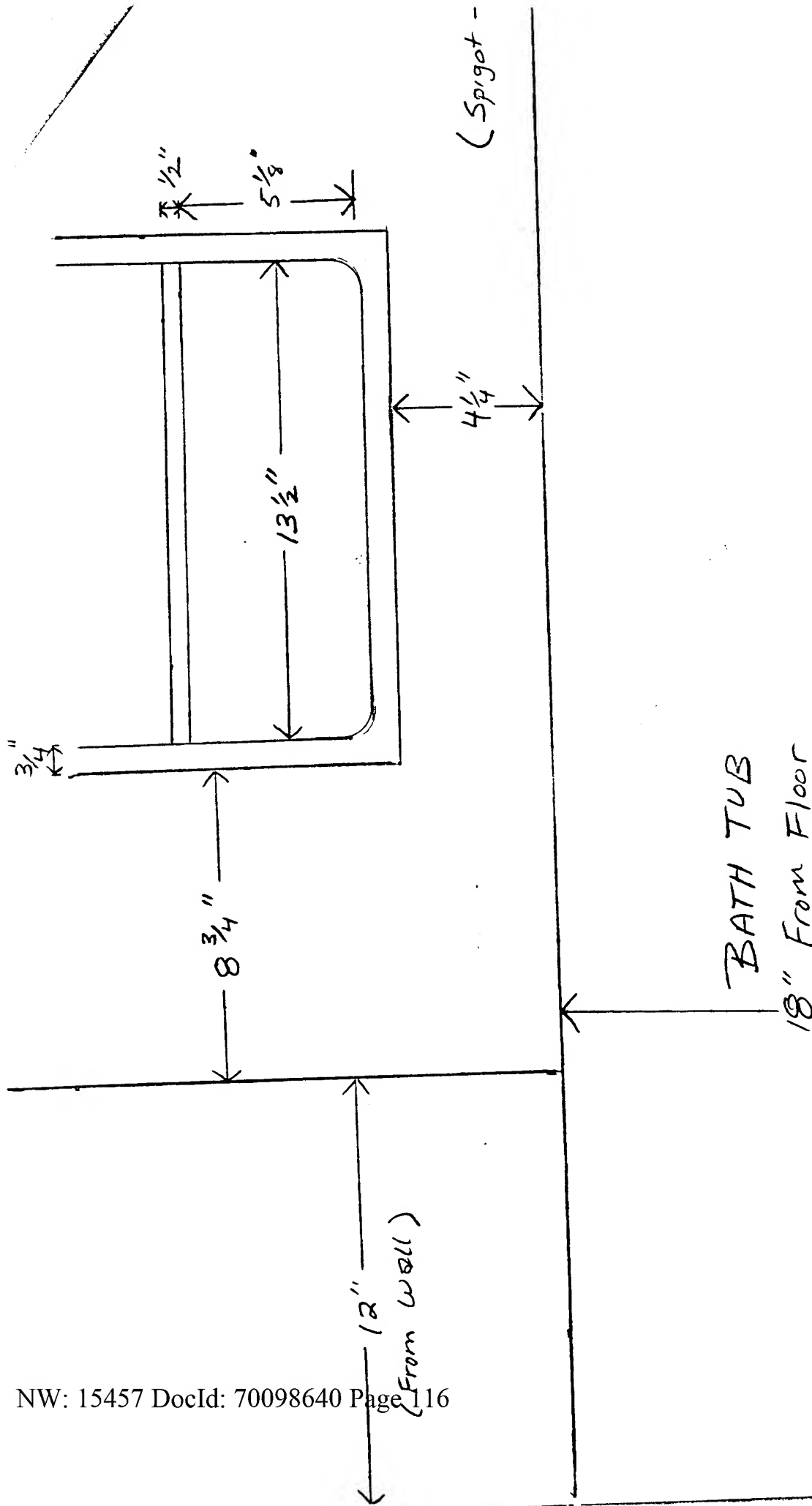
8-22-91

HT

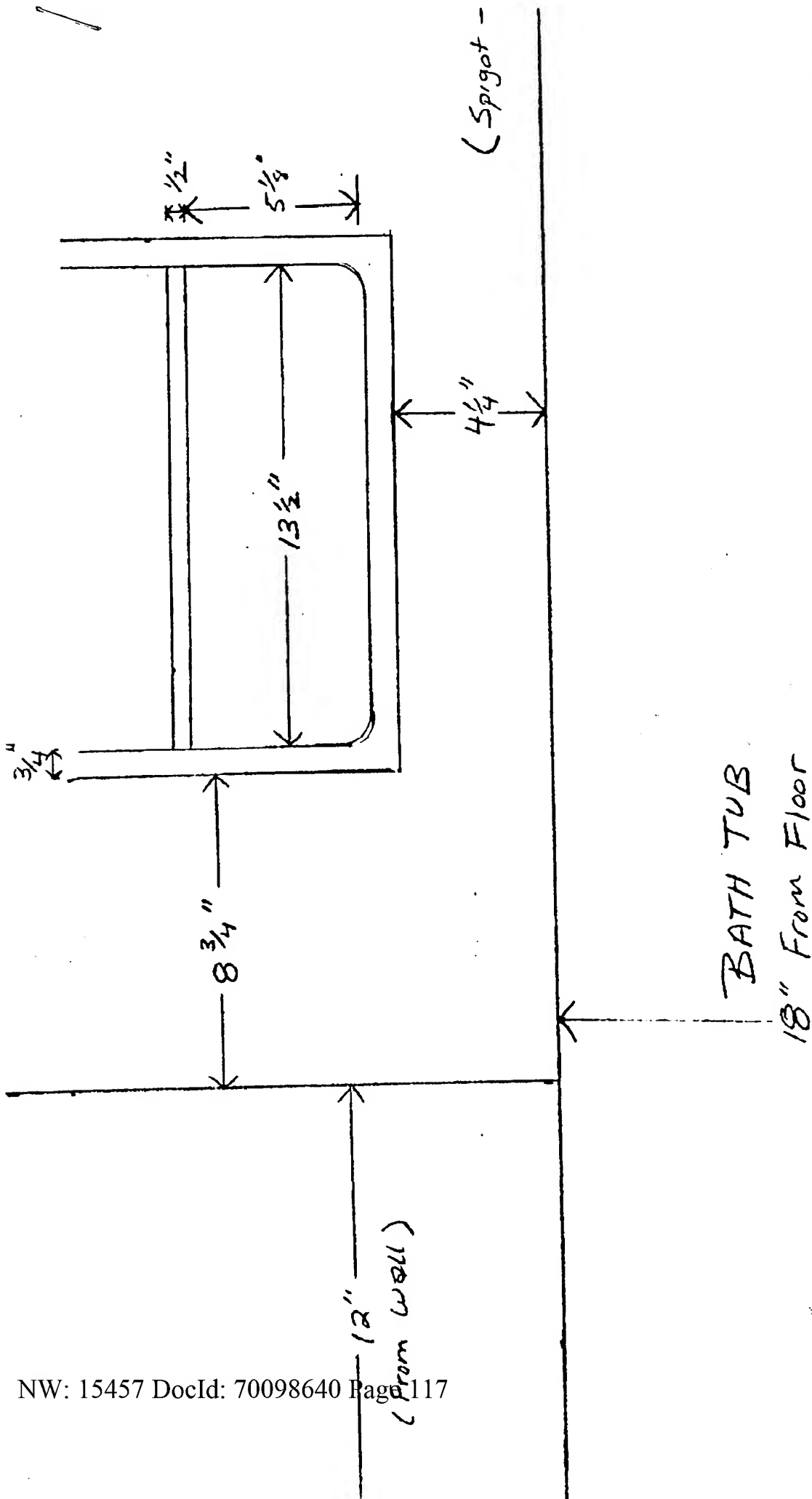
Fairfax

Sheriff's Dept.

11



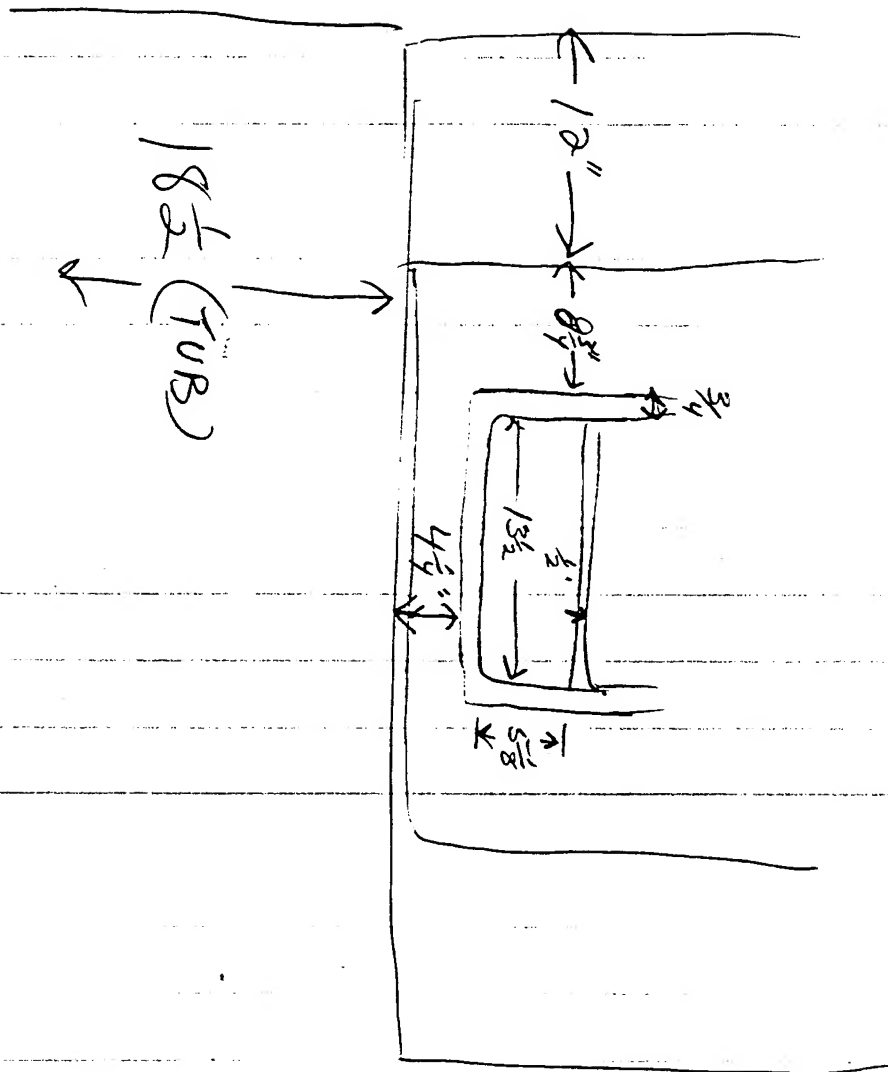
Typical Soap Dis
 Sheraton Inn
 Martinsburg
 scale $\frac{1}{4}" = 1m.$
 DETECTIVE T. CAT
 Oct 17, 1991



Typical Soap Dish
Sheraton Inn
Martinsburg

scale $\frac{1}{4}" = 1'$

DETECTIVE T. CAT
Oct 17, 1991



white
BMW. Penn
UJD-474

MESSAGE FROM NL
08/16/91 18:03
RR.PA0223000
15:04 08/16/91
15:04 08/16/91
TXT
Z

LIC: UJD474 . I
VMA: AUDI
TLN: 37233672.
REG GR WT: 0000
VIN: WAUFB08501
OWN: VAUGHAN.P.
41 LEBANON
PITTSBURGH

SUSPENSION/REVOCATION

*** TYPE CODE ***

*** MEANING ***

A	=====	RETURNED CHECK
C	=====	CAT FUND STOP
F	=====	INSURANCE CANCELLATION
I	=====	REVOCATION

NO MORE PAGES

Charge against b.
Call placed b.
Remarks
For
Location
Hour
Date
DISTANCE CALL RECORD

3140 W.
Denver, CO
(303) 455.

MESSAGE FROM NLSTS
08/16/91 18:03:02
RR.PA0223000
15:04 08/16/91 04856
15:04 08/16/91 01857 WV0020100
TXT

2 RESPONSE FROM PENNSYLVANIA BUREAU OF MOTOR VEHICLES
LIC: UJD474 . EXPIRES: 11V1.
VMA: AUDI . VYR: 85.
TLN: 37233672.
REG GR WT: 00000. COMB GR WT: 00000.
VIN: WAUFB0850FA078735
OWN: VAUGHAN.PAUL M
41 LEBANON HILLS DR
PITTSBURGH PA. 15228 COUNTY CODE: 02

SUSPENSION/REVOCATION: NO

*** TYPE CODE ***
A ===== RETURNED CHECK
C ===== CAT FUND STOP
F ===== INSURANCE CANCELLATION
I ===== REVOCATION

NO MORE PAGES

August 17th, 1991

Chief of Police
Martinsburg, WVA 25401

Reference: Suicide death of: Joseph Daniel CASOLARO

Dear Chief

Joe didn't commit suicide, respectfully request that you re-Open the case and commence a "Homide Investigation".

Joe sent me various photo's and a photo copy of his manuscript on his works on the "Allegations of Justice Department which stole Software from INSLAW INC."

The manuscript spells out who is involved in his allegations, and if you do not re-open the case I will be forced to send photo copies to the New York Times and Washington Post.

Joe thought this may happen that is why he sent copies to me and one other person.

I will wait to read in the papers if you re-opened the case, Should I not hear anything you can inform the proper people that myself and my other friend will be releasing all the documents, photo's, manuscript and two tape recordings made by Joe.

I am

Sincerely,

A Friend of:

Joseph Daniel CASOLARO - better
known as Danny to his close friends.

Copy to:
JT
NWP

Friday, August 16, 1991

NATION

I hope every talk show & news broadcast has #1 priority. This is an evil witcher of

Coroner won't rule out homicide in investigative re

Family and colleagues say Joseph D. Casolaro would not have killed himself.

Associated Press

MARTINSBURG, W. Va. — A reporter investigating an alleged U.S. government scandal who was found dead in his hotel room apparently committed suicide, a coroner said Thursday, though he couldn't rule out foul play.

A preliminary autopsy report said Joseph D. Casolaro, 44, of Fairfax, Va., bled to death. His

body was found Saturday in the bathtub of his Martinsburg hotel room, with his wrists slashed. Acquaintances say Casolaro went to Martinsburg to interview a source.

Authorities initially ruled the death a suicide but ordered an autopsy after family members and colleagues expressed doubt that Casolaro killed himself.

Dr. James Frost, assistant state medical examiner, told a news conference the manner of Casolaro's death was not inconsistent with a suicide.

"We're not ruling out foul play, but I have no evidence of it at this time," Frost said.

Casolaro had three to four cuts on his right wrist and seven or eight cuts on his left wrist, he said. There were no wounds to show signs of a struggle.

Frost said a single-edge razor blade was found in the bathtub with the body, and an autopsy found it was used to make the cuts. An open package of identical blades was found in the room.

Frost said an examination of Casolaro's brain showed he had multiple sclerosis with lesions in se-

vere e he be Casola
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Justice
design
cases.

Perry F. Smith
Chief of Police

CITY OF MARTINSBURG

POLICE DEPARTMENT

Emergency 911



232 North Queen Street
Martinsburg, WV 25401
(304) 263-3311

TO: Capt. T. C. Anderson

FROM: Perry F. Smith *P.F.S.*
Chief of Police

RE: Suicide in Shepherdstown, WV

DATE: August 29, 1991

On Friday, August 23, 1991 I had a conversation with Chief Carol of the Shepherdstown Police Department. He advised the subject that shot himself was a Roger Mahoney of Howard County Maryland.

Howard County had a missing report on him and he was just let go from his job at Western Electric.

He had been parked at the Monument all day reading books. When an officer stopped to close the Monument area, he was about one hundred feet from the car and at that time the subject shot himself.

?
missing?

QUARTER CIRCLE LJ RANCH

40375 ROAD 600/GRUB GULCH RD.

RAYMOND, CA 93653

PH/FAX 209-689-3327

Dear Mr. Frost—

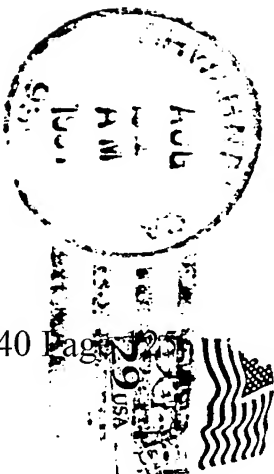
I read about the murder - suicide
I believe your office is calling it —
of Mr. Cooker. Odd - isn't it that he
would be so dependent about getting
information that would give him the
break he needed to make his case against
the ^{Criminal Dept.} Government stealing from his company —
& also get info involving very high
Gov. officials involving the Iran Contra
Scam & the TIER Bank fraud — that he
would kill himself — Odd especially since
he had received several DEATH threats
recently. What is even more chilling —
is the fact that your county embalmed
his body before notifying his family —
Embalmers remove evidence that would
be absolutely necessary in court to
prove murder. This country is rotten to
the core & people like you are part
of the foul smelling problem —
This is just a
L. J. Cooke

QUARTER CIRCLE L J RANCH

40375 ROAD 600/GRUB GULCH RD.
RAYMOND, CA 93653

*Property of
Joseph J
Cavallaro*

*To James Frost
Conf. 34. 11ed. Ex.
~~11 Eastern Ave~~ Margaret Town W
West Independence
26505*



CITY OF MARTINSBURG

POLICE DEPARTMENT

MARTINSBURG, WEST VIRGINIA 25401

DETECTIVES

RE: CASOLARO INVESTIGATION

ON THIS DATE 08-16-91 AN UNKNOWN FEMALE CALLER, ADVISED THIS OFFICER THAT THE REPORTER KILLED AT THE SHERATON INN WAS KILLED BY HIS CONTACT. THE CALLER ALSO ADVISED THAT THE TWO HAD LUNCH TOGETHER AT A SEA FOOD RESTURANT. THE CALL CAME IN AT 0130 ON LINE 1 (263-3311) .

PTLM. MORAN

CITY OF MARTINSBURG

POLICE DEPARTMENT

MARTINSBURG, WEST VIRGINIA 25401

INFORMATION

ON 8/17/91 AT APPROX. 7:40 P.M. I (FRANKLIN) STOPPED A WHT IN COLOR MERZ IN THE 400 BLK. W. KING ST FOR NO M.V.I. THE VEHICLE WAS A 4/D WHT IN COLOR WITH W.VA. TAG 5XD-944, THE DRIVER WAS A W/M 6'2" 225 LBS. WEARING DARK BLUE BUTTON UP SHIRT TAN SLACKS. DRIVER WAS WEARING PRESCRIPTION GLASSES HAD A BEARD, SUBJECT WAS HEAVY SET. THE DRIVER PRODUCED A CAL. DRIVERS LIC. S0704093 AND A W.VA. REGISTRATION FORM WITH A WASHINGTON D.C. ADDRESS (P.O. BX. 25601 WASH.D.C. 20007) THE DRIVER HAD INSIDE THE VEHICLE A LARGE AMOUNT OF ARTICLES, THE ITEMS ARE AS SUCH; ON THE FLOOR BOARD OF THE FRONT SEAT WAS SEVERAL ITEMS OF FOOD, ON THE SEAT NEXT TO HIM WAS A BRN IN COLOR BRIEFCASE WITH LARGE AMOUNT OF PAPERS INSIDE. AND UNDER SAME LOOKED TO BE A TYPR WRITER, STUFFED ALL ALONG THE SEAT WAS NUMEROUSE FILES WITH PAPERS IN SAME. ON THE BACH SEAT WAS ARTICLES OF CLOTHS AND MORE PAPERS AND SEVERAL LITERTUREBOOKS WITH RELIGIOUS TITLES, AND SEVERAL OTHERS THAT I COULD NOT SEE. THERE WAS A POLE ACROSS THE BACK SEAT WITH MORE CLOTHS ON SAME (SUITES)

AFTER THIS OFFICER (FRANKLIN) RAN A N.C.I.C. CHECK ON THE SUBJECT I THEN QUESTIONED SAME ABOUT THE CAL LIC, THE W.VA. REG. AND THE WASH. D.C. ADDRESS. THE DRIVER ADVISED THAT HE HAD BEEN LIVING IN THE D.C. AREA ABOUT 2½ YEARS AND THAT HE HAS BEEN TRYING LATLY TO FIND A PLACE TO LIVE IN THE MARTINSBURG AREA, THAT IS WHY HE HAS THE REGISTRATION. I THEN ADVISED HIM THAT I NEEDED A ADDRESS TO WRITE DOWN ON THE TICKET AND HE STATED THAT HE HAS BEEN LIVING IN HIS CAR FOR SOME TIME BUT THAT I COULD CONTACT HIM THRU THE P.O. BAX# I THEN ASKED THE DRIVER WERE HE WORKED IN CASE WE NEEDED TO CONTACT HIM AND HE STATED THAT HE WAS A FREE LANCE WRITER AND REPORTER WHO WORKED FOR HIMSELF I THEN ASKED HIM WHTA KIND OF WORK HE WROTE ABOUT AND HE STATED THAT HE HAD BEEN WORKING ON A BOOK ABOUT THE C.I.A. AND OTHER GOVT. AGENCIS.

AT THIS TIME THE DRIVER STARTED CHANGING THE QUESTIONS AROUND AND I DIDNT FOLLOW UP WITH ANY MORE THAN THAT.

THE DRIVER DID GIVE THIS OFFICER A COPY OF HIS LETTER FROM D.M.V. FROM W.VA AND THIS HAD THE P.O. BOX. TO WASH.D.C. THIS OFFICER AND OFFICER SPESSERT FOUND ON THE BACK A HAND WRITTEN NOTE WHICH READ (I LIVE IN A STAE OF CONFUSSION & YOUR NOT HELPING.) THIS ITEM WAS KEPT BY THE OFFICER WHO THEN TOOK ALL ITEMS TO STATION.

AFTER SPEAKING WITH THE CHIEF AND DET. CATLETT MYSELF AND OFFICER SPESSERT WROTE DOWN ALL THE INFO ON THIS MATTER.

NOTE; THE DRIVER DID SHOW THIS OFFICER A PASSPORT THAT HAD A LOCATION AS FRANCE THAT HE TRAVELED TO AND THAT HE WAS A MORGANTOWN W.VA. RESIDENT (LOCATION OF BIRTH)

CITY OF MARTINSBURG

POLICE DEPARTMENT

MARTINSBURG, WEST VIRGINIA 25401

INFORMATION

08-17-91 20:45

ON THE ABOVE DATE AND TIME THIS OFFICER ASSISTED UNIT 12 IN A TRAFFIC STOP AT THE 400 BL. W. KING ST. THE VEHICLE STOPPED WAS A 1968 MERCEDES BENZ 4DR WHITE IN COLOR. THIS VEHICLE WAS IN GOOD CONDITION FOR THE YEAR/MODEL AND THE DRIVER ADVISED THAT HE HAD RECENTLY HAD THE ENGINE REBUILT. THE ABOVE OFFICERS DID LOOK AT THE ENGINE AND IT APPEARED TO BE NEW. THE INSIDE OF THE VEHICLE HAD CLOTHES HANGING FROM A RACK, FOOD SUCH AS BREAD ON THE FLOOR AND NUMEROUS RELIGIOUS TRACKS ON THE REAR SEAT. ON THE REAR WINDOW DECK WAS THREE THREE RING NOTEBOOKS. MYSELF AND UNIT 12 WERE UNABLE TO SEE WHAT WAS IN THESE BOOKS. THIS OFFICER NOTICED A LETTER IN A OPEN BRIEFCASE ON THE PASSENGER SEAT. THIS LETTER WAS ADRESSED TO A WASHINGTON D.C. LIBRARY ASKING PERMISSION TO USE A STUDY CUBICLE IN SAID LIBRARY. THE DRIVER OF THIS VEHICLE ADVISED ABOVE OFFICERS THAT HE WAS A FREE LANCE WRITER FROM D.C. THE DRIVER ALSO ADVISED ABOVE OFFICERS THAT HE WAS GATHERING INFORMATION TO WRITE A BOOK ABOUT THE C.I.A. AND OTHER GOVERNMENT AGENCIES. THE DRIVER HAD A CALIFORNIA DRIVERS LICENSE HOWEVER THE VEHICLE HAD W.V. REGISTRATION. (SEE ATTACHED 10-27 AND 10-28 INFO) THIS SUBJECT ALSO HAD A U.S. PASSPORT. THE DRIVER IS DESCRIBED AS THE FOLLOWING: W/M 6-2 OVER 200 LBS BLUE EYES WEARING GLASSES. SUBJ. HAD A POT BELLY AND WAS WEARING A BLUE BUTTON DOWN SHIRT WITH A T-SHIRT UNDERNEATH. SUBJ. WAS WEARING TAN SLACKS. ALSO BEHIND THE DRIVERS SEAT WAS A METAL COOKIE CAN LIKE CONTAINER.

PTLM. W.M. SPESSERT

UNIT 19

12

Tim
267-4732

08/17/91 19:58:52
RR.WV0000000.WV0020100.
TXT
RESPONSE FOR A /5XD944/ 0
NAM/SULKA CHARLES H
ADR/ PD BX 25661 WASHINGTON 99 DC 20004
LIC/5XD944 LIT/A WGT/ 3800 EXP/05/92 VIN/280S013440
VMA/MERZ VMD/ VST/45 VYR/68 TTL/T310513 TDT/04/23/91
STATUS/ DUP. REGR
NO MORE PAGES

18

MESSAGE FROM NLETS

08/17/91 20:00:59

DR.CAOLN0000

17:02 08/17/91 08005

17:02 08/17/91 00983 WV0020100

TXT

NAME/SULKA CHARLES HAROLD

ADDR/PO BK 176000. SAN DIEGO, CA.

SEX/M. DOB/ [REDACTED] HGT/602. WGT/225. HAI/BRO. EYE/BLU.

DLN/S0704093. EXP 08/05/92

RSTR:MUST [REDACTED]

STATUS: REISSUE FEE REQUIRED

END

NO MORE PAGES

36 CFR 1256.56 - Personal Privacy
FOIA(b)(6)

1 live in a state of confusion - 2 you're not helping

Gaston Caperton, Governor • Jane L. Cline, Commissioner of Motor Vehicles

STA
END
NO 1

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ON TOOK ALL ITEMS TO STATION.
MYSELF AND OFFICER SPESSERT WROTE
AT HAD A LOCATION AS FRANCE T
T (LOCATION OF BIRTH)

UP

IF YOU CAN MAKE ANY
SENSE OUT OF THIS STUFF LET
ME KNOW

Tom Baker

592-5859
592-5860



Det. T. J. Baker
HOMICIDE DIVISION
PHILADELPHIA POLICE DEPT.

Police Administration Bldg.
Room 104

8th & Race Streets
Phila., PA 19106



Please
get right back
to me on this!

Phone (215) 686-1776 — Philadelphia P.D.

TO: Detective Robinson

FOR INFORMATION, CALL: (415) 862-2362

NW: 15457 DocId: 70098640 Page 133

FROM: Virginia McCullough

AT: FAX (415) 862-0145

PAGES (including cover sheet):

FAX NUMBER: (415) 597-1111 PAGE 01

HOMICIDE DIVISION

MISCELLANEOUS CASE SUMMARY

CASE# M-91-57

DATE 04-23-91

DC# 91-09-023321

COMP. Dennis EISMAN AGE 50 RACE W SEX M RES 1345 Fairacres

NATURE OF COMP. suicide

LOCATION 1500 Market St.

HOSPITAL scene

PRONOUNCEMENT DR HOOD

TIME 10:50A

(IF APPLICABLE)

(IF APPLICABLE)

SUMMARY OF CASE: On Tuesday 04-23-91 at approximately 7:37AM police from the 9th District responded to a radio call "1500 Market St. in the underground garage, hospital case". Upon arrival of police they found the decedent sitting in the drivers seat of a 1981 silver/gray Porsche, Penn. license number SNW912, serial number WPOJA092XBS821460 which was parked in parking spot 98 on parking level P-1. Fire Rescue #1 responded and found no signs of life.

The decedent was sitting sideways in the driver seat laying back in a prone position over the center console. The drivers door was partially open and the electric window on the drivers door is completely down. The decedents left foot was on the ground and his right foot was twisted under the side of the drivers seat. Lying on the garage floor next to the decedents left foot was a Walther PPK-S .380 automatic, serial number C50793. The gun is registered to the decedent.

An examination of the body at the scene by Dr. HOOD, O.M.E. revealed that the decedent had a contact gunshot wound to the center of his chest and a exit wound on his left side towards the back approximately five inches below his left armpit.

An examination of the interior of the car shows a bullet hole in the back of the front seat entering and exiting and traveling to the area of the left side of the rear seat. The hole in the back of the front seat is consistent with the exit wound on the decedent if he was sitting in the drivers seat facing forward when he suffered the gunshot wound. On the garage floor approximately three feet left of the drivers door a spent .380 casing is found.

(USE REVERSE SIDE IF NECESSARY)

SICG. HOM. DET. T. BAKER #724 ASSIG. DIV. DET. AIKENENS 9011

JREF: 1150R 11:11:11 #240

NW: 15457 DocId: 70098640 Page 134

The Washington Post

SUNDAY, MARCH 31, 1991

THE WASHINGTON POST

SUNDAY, MARCH 31, 1991-A13

Key Witness in Justice Dept. Software Case Jailed

By Gary Lee
Washington Post Staff Writer

A key witness in the eight-year-old legal battle between the Justice Department and the Inslaw computer software company has been arrested and is being held without bail in a rural Washington state jail.

Michael Riconosciuto, a potential witness on behalf of principal Inslaw owners William and Nancy Hamilton, was arrested late Friday near Tacoma by a local district attorney, Riconosciuto, 42, is being held without bail at the Snohomish County jail in Everett, Wash., an official there said in a telephone interview yesterday. The official said that the arrest record did not indicate what

charges had been brought against Riconosciuto.

Riconosciuto, reached yesterday by telephone at the jail, said he thought the charge was for "delivery of controlled substances," but said he was unsure. He said he could not remember if a charge was made at the time of the arrest but overheard an officer stating it later. Riconosciuto was convicted on a drug-trafficking charge in 1972.

He said he was arrested with two local men who had just sold him computer equipment for \$1,000. The two were "known drug users," Riconosciuto said.

"I've been set up," he said. "I've been had."

The legal battle Riconosciuto was

involved in, which has been shuffled among courts since 1983, involves Proton software, developed by Inslaw, a Washington, D.C.-based company. The software was designed to be used by law enforcement officials to track cases and criminals.

The Hamiltons charge that the software was stolen by the Justice Department in the course of a contract dispute and has been subsequently distributed to intelligence and military agencies in, among other countries, Iraq, Libya, South Korea, Israel and Canada.

Last month Riconosciuto, a computer software technician, filed an affidavit in the case, saying that private interests hired him in 1983 and 1984 to modify the software for

use by law enforcement and intelligence agencies worldwide.

In the affidavit, Riconosciuto said that he was called in February by a former Justice Department official and warned against cooperating with an investigation into the case by the House Judiciary Committee.

In the affidavit, Riconosciuto said the former official, Peter Vidulich, told him that if he talked to investigators he would be implicated in one unrelated criminal case and would lose another ongoing child custody case.

Riconosciuto said he had three separate tape recordings of the telephone conversation with Vidulich, two of which were confiscated during his Friday night arrest.

THE VANCOUVE SUN Friday April 5/91
BRITISH COLUMBIA A15

Probe of hot-software charge urged

PHIL O'NEIL in Ottawa
NEPAL HALL in Vancouver
Solicitor-General Pierre Cadieux would go before a parliamentary committee to answer charges the MP and CSIS are using stolen computer software, opposition MPs say Thursday.

The PROMIS software was allegedly purloined by U.S. justice department officials and sold by associates of former president Ronald Reagan to government agencies in Canada, Iraq and Israel, according to affidavits filed in U.S. bankruptcy court last week.

Spokesmen for the RCMP and Canadian Security Intelligence Service have denied they're using the software, which is designed for law enforcement agencies to track cases and criminals.

But some MPs said Thursday they're not satisfied with the denial. "I find the allegations disturbing," said John Brewin (NDP, Ontario).

Victoria MP wants Cadieux grilled

Brewin will request that Cadieux, minister responsible for the Mounties and CSIS, appear before the justice and solicitor-general committee.

There are many questions for the minister, Brewin said. "Did CSIS and the RCMP use PROMIS software or modifications of it? If so, what were the circumstances of the acquisition? Was the software stolen, and if so, was the Canadian government aware of it?"

Liberal John Nunziata (York South-Weston) said Cadieux is already slated to appear before the committee this month. "It's one of the issues I will pursue," said Nunziata, his party's solicitor-general critic. "My concern is whether the Canadian government or the officials within CSIS and the RCMP knew about the background to this software."

justice department. The congressional judiciary committee is also investigating, but is having trouble extracting information and documents from government officials.

U.S. court documents obtained by The Vancouver Sun show a Canadian communications department official originally admitted last year to an Inslaw employee that PROMIS was being used by the RCMP "to support 900 locations in Canada," even though Inslaw had never authorized a Canadian sale of PROMIS.

Inslaw officials allege U.S. government officials conspired to put Inslaw out of business so high-ranking friends of Reagan could control the software program and market it profitably.

There is also a suggestion sales of the pirated software may be linked to supporting the Contras in Nicaragua during the Reagan administration.

Robert Miskunas
1230 Falster Rd
Alexandria Va
(703) 780-5083
Software Eng. (father)
Former US Intelligence
Claims This refers to his
representation for Nichols at
a trade show of South
American imported goods
work at AT&T - PIC - Crystal
City (down Back & Becker)

April 22, 1982

Mr. Robert Miskunas
1230 Falster Road
Alexandria, VA 22308

Dear Mr. Miskunas:

This letter is to confirm that my husband, Michael Riconosciuto, owes you \$2,000.00 for the months of February and March plus expenses. We have paid you \$2,000.00 for the month of January plus expenses and will pay for the work you have performed through the end of March. There are no funds to pay for April or any future months.

Dr. Nichols and others associated with arranging the cooperation with the appropriate local law enforcement and other appropriate agencies who are under contract with us have been instructed not to be in public contact with any other person involved in the negotiations. We feel that we can recover 700,000.00 million dollars to over a billion dollars. It is an absolute necessity that security be maintained during these negotiations. The majority of the to be recovered money will go to the U.S. government. My husband's life is at stake as well as all of our assets. Several people have been killed during negotiations, the most recent death was ten days ago. You may rely on my personal commitment to pay you, for I am selling my personal car, a Mercedes Benz to pay you.

We owe Dr. Nichols an excess of \$25,000.00. He has instructed us to pay you prior to making any payments to him.

Marshall Riconosciuto has paid some of Michael Riconosciuto's bills to date. I would suggest you invoice him for the \$4,000.00 plus expenses we owe you independently of my guarantee to you. Communication has not always been the best between father and son.

Dr. Robert B. McCullough
Virginia Lee McCullough

P.O. Box 589 86 Kilkare Road
SUNOL, CA 94586
TEL (415) 862-2362 FAX (415) 862-0145

April 11, 1991

Mr. John Gordnier
Special Investigations
California State Attorneys Office
Phone No. 916 324-5169
FAX No. 916 324-5205

Re: 1981 Triple execution of
Alfred Alvarez and two others
In Rancho Mirage, California

Dear John:

Thank you for listening to me in our telephone conversation yesterday morning. I hope that you do not think my allegations are too bizarre to accept on face value. Since you claim that you listen to many such allegations daily from many sources, perhaps that makes you a "True Believer".

My husband, Dr. Robert B. McCullough, has started three computer companies since 1977. He holds engineering degrees from MIT, San Jose State, and Stanford University and four patents on computer equipment ranging from mainframe computer memories to memory chip sets. The companies he founded or co-founded are Magnuson Computer Corp. (circa 1977), Datamac Inc. (circa 1980) and Sunol Systems, Inc. (circa 1983).

Throughout the life of the last company the President and Chief Financial Officer was a Bank of America operative named Robert Carl Lindgren Jr. At the time we considered him a confidant and friend. He was in reality a con artist who drew down over a million dollars on B of A's line of credit for Sunol Systems, and transferred it to 1st Interstate Bank in Danville, where his wife's relative, Dorothy Farnsworth, was the vice president. Mrs. Farnsworth allowed Lindgren and his wife to co-mingle the company monies with the personal accounts of Lindgrens. The Lindgrens then left the company taking the last dollar in the company accounts before starting a new company called LoDown. Later that company declared bankruptcy and the Lindgrens also filed a personal petition for a Chapter 7. The trustee, Jerome Robertson, filed papers requesting an investigation into bankruptcy fraud by Lindgren. The FBI did not answer any requests to investigate and the U.S. Attorney's office under ex-U.S. Attorney Joseph Russoniello and under now U.S. Attorney William McGivern. However, the U.S. Trustee Anthony Souza reversed the charge of the Lindgren Chapter 7 bankruptcy. The Lindgrens have since left the country and are living in London, England. They left after failing to pay almost

We were forced to file Chapter 11 for Sunol Systems in April of 1986. In June of 1986 when the Bank of America threatened to attach our home overnight to satisfy a personal guarantee for the company, we were forced to file a personal Chapter 11 thinking it would protect us until we could bring our lawsuit against the bank for fraud.

Finally, on August 15, 1989 my husband and I and Mrs. Monica Spina-Forni (another victim of the "Club") met with Assistant U.S. Attorney Michael Howard and delivered to him several boxes of documentation to prove what was happening to us in the bankruptcy system. After reviewing the material he called it "the biggest criminal and civil racketeering case he had seen in 22 years with the Justice Department". Then he warned us that we could be subjected to violence if we continued to maintain such a high profile in our pursuit of our civil rights. Five weeks after we met with Mr. Howard someone tried to burn our home down with our two sons inside. Later in discovery we found that the Bank of America had insured our home and named our new bankruptcy "trustee", Stephen Corbin Becker as loss payee.

Several hundred victims of this "bankruptcy club" have established a loose nationwide network through which we share information and support each other in our struggle for some form of justice. I can put you in touch with these individuals should you desire.

NW: 1545

for over two years to bring this story to the people. L. Ann Bruno of KTVU-TV in Oakland, Nina Martin and Susan Kostal of the San Francisco Daily Journal, and Dick Phillips of the Santa Rosa Press Democrat are those individuals who have succeeded in documenting in depth the repeated violations of civil rights of the California victims.

Nina Martin and Susan Kostal ran a series last October that began with an interview with a dead man, San Francisco bankruptcy attorney Dexter Jacobson. He had taken over a case (The El Dorado Inn/Paul Sosnowski bankruptcy in Santa Rosa) and prepared a lawsuit naming some very large law firms in the bay area as well as a bankruptcy judge. Just before he was to meet with the FRI and the U.S. Trustee, he was executed and his body dumped in Sausalito. This killing took place on August 14, 1990. (See newspaper clipping enclosed). The Sausalito police officer in charge of this investigation is Detective Frank Reed (Phone No. 415-289-4170) of the Sausalito Police Department.

An almost identical homicide took place in San Antonio, Texas on or about February 11, 1991. (See Jerome Curry article dated March 14, 1991) The victim was a disbarred lawyer, C. Ray Pinnell. Pinnell had also been vocal in fighting the corruption within the bankruptcy system in Texas. The FBI is investigating the charges of bankruptcy fraud alleged by Mr. Pinnell and others in Texas. The officer in charge of the murder investigation is Captain Pete Casais (Phone No. 512-299-7484) of the San Antonio Police Department. The FBI was unwilling to supply the investigator's name in charge of their investigation.

A third homicide whose MO would appear to be the same is that of a San Francisco paralegal who was executed on his way to court on February 8, 1991. His name was Robert Allen Young and he had forced through civil litigation the bankruptcy filing of a David and Susan Beugen. (See Andy Furillo article dated March 10, 1991) He was executed with a single shot in the chest. The investigator in charge of this case is Inspector Art Garrins (Phone No. 415 553-1483) of the San Francisco Police Department.

Shortly after this series of killings a declaration was entered in an East Coast bankruptcy called Inslaw, Inc. (Case No. 85-00070). Inslaw has sued the United States Department of Justice in an Adversary Proceeding (No. 86-0069) alleging that the software company had been forced into bankruptcy by certain members of the Justice Department in order to try to steal Inslaw's proprietary software and launder it through to associates of then United States Attorney General Edwin Meese. A bankruptcy judge ruled in Inslaw's favor and awarded the company damages of a little over \$8 million. The Justice Department appealed and Inslaw sought to obtain discovery of Justice Department papers under the control of United States Attorney General Richard Thornburgh. Thornburgh refused. Congressman Jack Brooks initiated a House Judiciary Investigation of the case and ordered Thornburgh to turn over the Inslaw papers to this committee for review. Thornburgh refused. Congressman Brooks was adamant that Mr. Thornburgh would have difficulty obtaining any Justice Department budget if the papers were not forthcoming.

It is at this point that the declaration signed by J. Riconosciuto was introduced (See declaration dated March 21, 1991) alleging that the Wackenhut Corporation had a joint venture with the Cabazon Indians in the early 1980's called Cabazon Arms (See letterhead of letter dated April 4, 1983 signed by John Paul Nichols and Art Welmas). According to the declaration, the purpose of the Cabazon Arms joint venture was to produce war weapons for the Contras and the middle east using the sovereignty of the Indian nation to circumvent the CIA charter which prevents CIA operations within the confines of the United States.

In researching the authenticity of this declaration, I was informed about the series of interviews Alfred Alvarez had given to the Indio Daily News wherein he claimed his life was in danger for speaking out against this joint venture and what was happening on his reservation. His sister, Linda Streeter, fedexed the video tape containing interviews with you and police informant Jimmy Hughes in which Jimmy Hughes states that the Rancho Mirage executions were an "authorized, backed government covert operation." If that is the case, no matter what individual authorized the slayings, if they were initiated by the CIA then that agency has violated its own charter by operating within the confines of the United States. This investigation is currently under Detective Jess Gutierrez (619 341-1600) of the Indio Sheriff's Department.

Hearings are currently being conducted by Texas Congressmen Jack Brooks and Henry Gonzalez into high technology export violations by the certain individuals within the United States Justice Department. In the CNN covered hearings of Congressman Gonzalez the use of "black" money or funding through CIA monies that is unaccounted for to the United States Congress was discussed. This funding was used to procure and export high technology to Iraq and other countries in violation of Presidential orders.

It is my belief that the victims of this immense bankruptcy racketeering enterprise have been placed in the position of having to fight their own Justice Department. The victims are held in virtual slavery, threatened and intimidated, and exposed to physical violence if they fight for the rights guaranteed to them by the United States Constitution. This corrupt "club" has placed itself above the law. And with good reason - it appears that the majority of its protection comes directly from the very department that is paid by the taxpayers to insure constitutional rights.

I urge you to investigate this string of executions based on the new information that I have presented. I look forward to hearing from you and I will be happy to supply you any additional information you may need.

Sincerely,

Virginia Lee McCullough
Virginia Lee McCullough

Enclosures
FAXed this day 4/11/91
Follow up mailing 4/11/91

cc: file
FBI
U.S. Attorney
Detective Frank Reed
Captain Pete Casais
Inspector Art Garrins
Detective Jess Gutierrez
U.S. Attorney General Richard Thornburgh
Congressman Pete Stark

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLUMBIA

IN RE:

INSLAW, INC.,

Debtor.

Case No. 85-00070
(Chapter 11)

INSLAW, INC.,

Plaintiff,

v.

Adversary Proceeding
No. 86-0069

UNITED STATES OF AMERICA,
and the UNITED STATES
DEPARTMENT OF JUSTICE,

Defendants.

AFFIDAVIT OF MICHAEL J. RICONOSCIUTO

STATE OF WASHINGTON

ss:

I, MICHAEL J. RICONOSCIUTO, being duly sworn, do hereby state as follows:

1. During the early 1980's, I served as the Director of Research for a joint venture between the Wackenhut Corporation of Coral Gables, Florida, and the Cabazon Band of Indians of Indio, California. The joint venture was located on the Cabazon reservation.

2. The Wackenhut-Cabazon joint venture sought to develop and/or manufacture certain materials that are used in military and national security operations, including night vision goggles, machine guns, fuel-air explosives, and biological and chemical warfare weapons.

3. The Cabazon Band of Indians are a sovereign nation. The sovereign immunity that is accorded the Cabazons as a consequence of this fact made it feasible to pursue on the reservation the development and/or manufacture of materials whose development or manufacture would be subject to stringent controls off the reservation. As a minority group, the Cabazon Indians also provided the Wackenhut Corporation with an enhanced ability to obtain federal contracts through the 8A Set Aside Program, and in connection with Government-owned contractor-operated (GOCO) facilities.

4. The Wackenhut-Cabazon joint venture was intended to support the needs of a number of foreign governments and forces, including forces and governments in Central America and the Middle East. The Contras in Nicaragua represented one of the most important priorities for the joint venture.

5. The Wackenhut-Cabazon joint venture maintained close liaison with certain elements of the United States Government, including representatives of intelligence, military and law enforcement agencies.

6. Among the frequent visitors to the Wackenhut-Cabazon joint venture were Peter Videnieks of the U.S. Department of Justice in Washington, D.C., and a close associate of Videnieks by the name of Earl W. Brian. Brian is a private businessman who lives in Maryland and who has maintained close business ties with the U.S. intelligence community for many years.

7. In connection with my work for Wackenhut, I engaged in some software development and modification work in 1983 and 1984 on the proprietary PROMIS computer software product. The copy of PROMIS on which I worked came from the U.S. Department of Justice. Earl W. Brian made it available to me through Wackenhut after acquiring it from Peter Videnieks, who was then a Department of Justice contracting official with responsibility for the PROMIS software. I performed the modifications to PROMIS in Indio, California; Silver Spring, Maryland; and Miami, Florida.

8. The purpose of the PROMIS software modifications that I made in 1983 and 1984 was to support a plan for the implementation of PROMIS in law enforcement and intelligence agencies worldwide. Earl W. Brian was spearheading the plan for this worldwide use of the PROMIS computer software.

9. Some of the modifications that I made were specifically designed to facilitate the implementation of PROMIS within two agencies of the Government of Canada: the Royal Canadian Mounted Police (RCMP) and the Canadian Security and Intelligence Service (CSIS). Earl W. Brian would check with me from time to time to make certain that the work would be completed in time to satisfy the schedule for the RCMP and CSIS Implementations of PROMIS.

NW: 15457 DocId: 70698640 Page 144
The proprietary version of PROMIS, as modified by me, was, in fact, implemented in both the RCMP and the CSIS in Canada. It was my understanding that Earl W. Brian had sold this version of PROMIS to the Government of Canada.

11. In February 1991, I had a telephone conversation with Peter Videnieks, then still employed by the U.S. Department of Justice. Videnieks attempted during this telephone conversation to persuade me not to cooperate with an independent investigation of the government's piracy of INSLAW's proprietary PROMIS software being conducted by the Committee on the Judiciary of the U.S. House of Representatives.

12. Videnieks stated that I would be rewarded for a decision not to cooperate with the House Judiciary Committee investigation. Videnieks forecasted an immediate and favorable resolution of a protracted child custody dispute being prosecuted against my wife by her former husband, if I were to decide not to cooperate with the House Judiciary Committee investigation.

13. Videnieks also outlined specific punishments that I could expect to receive from the U.S. Department of Justice if I cooperate with the House Judiciary Committee's investigation.

14. One punishment that Videnieks outlined was the future inclusion of me and my father in a criminal prosecution of certain business associates of mine in Orange County, California, in connection with the operation of a savings and loan institution in Orange County. By way of underscoring his power to influence such decisions at the U.S. Department of Justice, Videnieks informed me of the indictment of these business associates prior to the time when that indictment was unsealed and made public.

15. Another punishment that Videnieks threatened against me if I cooperate with the House Judiciary Committee is prosecution by the U.S. Department of Justice for perjury. Videnieks warned me that credible witnesses would come forward to contradict any damaging claims that I made in testimony before the House Judiciary Committee, and that I would subsequently be prosecuted for perjury by the U.S. Department of Justice for my testimony before the House Judiciary Committee.

FURTHER AFFIANT SAYETH NOT.

Michael J. Riconosciuto
Michael J. Riconosciuto

Signed and sworn to before me this 21 day of March, 1991.

James M. Bullin
Notary Public

My Commission Expires: Sept 19, 1993

SLAIN LAWYER WAS ON A MISSION

Dexter Jacobson believed Bay Area bankruptcy courts were 'poisoned' with fraud. He intended to straighten out the system, he told the Daily Journal in a lengthy interview shortly before he died. 8/24/90

By SUSAN KOSTAL and NINA MARTIN
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For the last year of his life, Dexter R. Jacobson was immersed in a lonely crusade: figuring out what was wrong with the U.S. bankruptcy system in Northern California.

The lawyer, who was found shot to death in Sausalito last Saturday, was a man with a strong sense of justice who had come to believe passionately that the way bankruptcy law is practiced in local courts, particularly in Santa Rosa, had been corrupted.

On behalf of Paul Sosnowski, a former Sonoma innkeeper involved in three bitter bankruptcies, and several other clients, he wanted to straighten out the system and bring to justice those he believed had allowed bankruptcy fraud to occur and continue in Northern California courts for nearly a decade.

And, unlike other lawyers who acknowledged that problems existed but chose not to fight them, Jacobson was willing to take on the task, undaunted by the huge expense and damage it might do to his successful business and real estate litigation practice.

The court system had been "poisoned," Jacobson believed, by convicted embezzler Charles Duck, a powerful trustee who

handled two of Sosnowski's cases as well as those of Jacobson's other bankrupt clients. Duck now is serving a 27-month term in federal prison after pleading guilty to two counts of stealing from estates under his management.

But the attorney also believed the blame did not lie with Duck alone.

"It certainly impairs the public's confidence in the bankruptcy system to find out that a man like Duck was able to engage in his freewheeling style of handling assets and cash," Jacobson said in a recent interview. "I think that we should all be unsettled by the fact that Duck was able to operate with such a free hand and apparently damage so many people's lives."

Hinting at what he planned to include in his suit, he also said, "I have done memos to myself where I have described the various kinds of things that I think represent potential fraud. I've got a very long list of these theoretical possibilities."

Two months before his shooting death Aug. 14 on a remote hillside north of Sausalito, the Montgomery Street lawyer talked about lawsuits he was preparing to file on behalf of numerous clients against Duck, Duck's attorneys and accountants, and possibly others.

Though Jacobson's keys and wallet

were missing, police are not yet convinced robbery was the motive for his murder. They are exploring the possibility that there is a link between his death and his bankruptcy work.

On June 19, he spoke with two Daily Journal reporters for more than two hours, discussing strategy and at times expressing regret that his unwinding clients had been harmed by a court system they had turned to for protection.

He was cautious, measuring his words slowly and carefully, as he talked about the cases that his girlfriend said Thursday were probably the most challenging of his 20-year career, and perhaps also the most satisfying to him.

Those who knew Jacobson say he was always precise, cautious and controlled in his words and actions. This was especially true when he talked about bankruptcy. He understood the sensitive nature, and the potential implications, of the allegations he was considering taking public.

For his clients, bewildered by their lawyer's brutal Aug. 14 murder, Jacobson was their best hope for righting injustices against them and fixing a court system they thought had gone terribly wrong.

Jacobson had set up meetings with the

Continued on Page 2

PLEASE FAX TO VIRGINIA MCCULLOUGH
FAX # 862-0145

Continued from Page 1

U.S. trustee's office, the FBI and the U.S. attorney's office for Monday and Tuesday. Sosnowski, who would also have attended the meetings, said this week that the men planned to discuss the allegations contained in the draft lawsuits.

Several clients who spoke to him just a days before his disappearance said this week that Jacobson seemed upbeat and eager to move forward with their lawsuits. Sosnowski said his own lawsuit was just three or four weeks away from being filed.

Now the suits are in limbo, and the clients feel adrift and angry.

"I thought all of a sudden, maybe, it is going to work out after all," said one client, whose two bankruptcies have left him crushed and unwilling to be identified for publication.

From his own investigation and his years of working with Sosnowski, the burly, blue-eyed debtor who once owned Sonoma's El Dorado Inn, Jacobson believed he had a good understanding of Duck and his wheeler-dealer ways in the Santa Rosa bankruptcy court.

Sosnowski was among first and loudest of the debtors to complain about Duck, and Jacobson was among the first to believe him.

"I remember times a couple of years ago where very few people . . . were listening to what Paul and I had to say about Duck's conduct as a trustee," Jacobson said. "So, for whatever reason, I happened to be one of the first people to board the train."

"There were a number of things Paul and I were concerned about initially," Jacobson said. "No. 1 was the heavy-handed manner that Duck used to control, manipulate and sometimes intimidate debtors. I wondered about the motivation for that kind of conduct."

"I concluded that part of his patterns of conduct in accomplishing his fraud was to intimidate the debtors in the bankruptcy proceedings or discouraging them from commenting on some of the unusual activities in which he engaged." The attorney said he personally had uncovered numerous activities in various cases that raised his eyebrows and his curiosity.

For example, Jacobson said he found documents showing that Duck paid selected pre-petition creditors - those who were owed money by the debtor before the bankruptcy filing - without court approval in violation of bankruptcy rules. He believed Duck transferred funds and property without reason or approval. Duck also pocketed cash and non-refundable deposits from property sales, Jacobson said he decided after reviewing records.

In addition, Duck's "apparent practice of rubber-stamping applications for professional fees from attorneys and accountants seemed to be out of this world," Jacobson said.

He also believed that attorneys and others who worked closely with Duck were responsible for the losses suffered by his clients and their creditors.

"In the actions I will be filing there will be some general allegations . . . misconduct, perhaps even conspiracy, that will relate to professionals Duck was involved with," Jacobson said. "We seem to be learning new things on a daily basis."

Jacobson also said he might be representing debtors in bankruptcies overseen by former Santa Rosa trustee June Taylor Haley. Haley, a friend and protégé of Duck's, was forced to resign dozens of cases in the wake of accusations that she too embezzled money and mishandled some estates.

But Jacobson said he had problems finding bankruptcy attorneys to help him with the lawsuits.

"I can tell you I personally talked to a number of lawyers . . . asking about Duck and if they would be in a position to provide any assistance to challenge Duck's activities," he said.

"And I was frankly dismayed to find that bankruptcy lawyers at that time were very reluctant to do anything which might be adverse to Duck. I heard comments like, 'I represented him, I'll say something to you in private, but don't pass this on. My livelihood depends on Duck.' I talked to a number of bankruptcy lawyers in San Francisco, and one or two in Santa Rosa. Some of them are very well known, prominent members of the San Francisco bankruptcy bar."

In their defense, Jacobson said he sought their assistance before U.S. trustee Anthony Sousa or the U.S. Department of Justice had taken any action against Duck. Sousa's office began investigating Duck in late 1988, and federal prosecutors and charged Duck with embezzlement last year.

Still, he termed the reluctance of "honorable men and women" to do anything adverse to Duck as "extraordinary."

Duck's tendency to rely on only a few attorneys also bothered Jacobson. The lawyer also was concerned about how the friendships and professional ties of the men might affect their judgment and their willingness or ability to look critically at Duck's actions.

"Based upon my experience of evaluating and investigating claims of com-

plex commercial litigation and the relationships between parties and complex business transactions, it raised a question in my mind how that was occurring."

Duck cannot be successfully sued because his personal bankruptcy case pending in an Oakland court halts any other litigation against him.

But Jacobson began giving careful attention to the actions of Duck's attorneys, his accountants, appraisers and auctioneers, who he believed possibly could be held liable for Duck's actions.

The lawyer had already identified possible "pockets of liability," including Duck's fidelity bond, which protects the estate from default or misconduct and a general liability policy. But he also had considered dropping Duck as a defendant, and suing only the attorneys and accountants under a theory of joint and several liability. An attorney's or a accountant's professional malpractice policy would provide a nice judgment, they could be found liable.

"It's been my experience that very often these connections or alliances for the purposes of accomplishing an unlawful, unethical business practice, a begun and implemented over weeks and months at business lunches, and pre-existing business relationships."

The results on those bankruptcy cases also troubled him. The trustee was paid, the professionals were paid and some if not all of the secured creditors were paid. But often no one else.

"My understanding is from various sources that there were cases where there might have been funds left over either for unsecured creditors and/or the debtor, but not really encouraging because of the enormous claims I see," he said.

Jacobson's suspicions were confirmed when the U.S. trustee and U.S. attorney began analyzing Duck's "global clearinghouse account" at the Kuchan Bank in Santa Rosa. But even that I

investigation, while not simplistic, was limited, Jacobson said.

"I can tell you that a lot of people believe that there's an awful lot of money sitting someplace that hasn't been discovered yet because the format apparently used by the U.S. trustee's office was merely to run the numbers of debts, credits and bank accounts," Jacobson said.

"I think there's a lot more investigation that is justified in regard to assets that Duck controlled."

Jacobson had worked with the U.S. trustee's office, and had come to admire its commitment to its mission of cleaning up the bankruptcy system.

"I have come to have the highest regard for Sousa as the U.S. trustee, and I believe the U.S. trustee's office was really the first one to take all this seriously. I talked with Sousa on a number of occasions and he strikes me as a man full of integrity, a decent man, and I think he has a very genuine concern about what Duck did and how that may have poisoned other aspects of the bankruptcy system."

He was reluctant to name his clients, other than Sosnowski.

"There are frankly a great many other people who have contacted me that I've talked with," Jacobson said.

The week before his death, Jacobson and a client, Charles Duggan, finally received a judgment of almost \$2.5 million, marking the end of 12 years of litigation that started in Napa County Superior Court and ended with the U.S. Supreme Court denying review. Forty percent of the money was to be Jacobson's contingency fee. While he had not disbursed the money before his death, clients say that Jacobson intended to use some of his \$1 million as a comfortable war chest to launch his bankruptcy-related suits.

All that was left, clients say, was a \$700,000 advance and a trip to court, and their fight for retribution

would be on.

Now, with Jacobson dead, the suit is in limbo.

"It's 2 1/2 years down the drain," said Sosnowski shortly after learning of the murder.

Sosnowski is the last person known to have seen Jacobson alive. The attorney disappeared last week after leaving a Petaluma restaurant where Sosnowski said the two men discussed the litigation.

After news of his death, at least four debtors have come forward and identified themselves as plaintiffs in Jacobson's actions. In addition to Sosnowski, there is Anna Beth Noble, formerly of Santa Rosa; John and Sandy Brick of Santa Rosa; and an anonymous debtor in Santa Rosa.

Noble said she and her husband are "totally shocked" by Jacobson's death.

"This is a very upsetting situation," she said. "There's certainly a lot more to it than meets the eye and I certainly hope they look into it."

Noble described Jacobson as a determined advocate.

"He had that kind of tenacity to stick with it and really dig into stuff. He's definitely got this stick-to-it-ivity."

It was Jacobson's desire that other plaintiffs' attorneys would take up the cause, and they would be able to pool their efforts.

"I hope I am not the only one out here doing this," he said. "I suspect there will be other people who will pursue claims."

Jacobson expressed the hope that Duck's was an isolated case. However, it seemed clear that without the proper monitoring, any other trustee could do exactly the same thing, he said.

"It sure appears to me that somebody has to look at installing some procedures and techniques that would prevent this sort of thing from happening again," he said.

Jacobson was "outraged" by the sav-

ings and loan scandal, ... something about the bankruptcy complaints triggered the same kind of anger, said Allison Luhn, a Walnut Creek nurse who had been Jacobson's girlfriend for 1 1/2 years.

"If there was something going on in bankruptcy, I mean he just thought, the government was there to serve the people, not to screw them," she said.

Luhn said Jacobson "liked the law and he did want to see it serve people," and he loved challenging, complex cases. It sometimes depended on who he was up against. "The bigger the better," she mused.

But often, "it was a sense of justice that motivated him more."

He was a sole practitioner, Luhn guessed, because "he had to have a certain quality of work. He was very precise."

He was a deliberate communicator when dictating to staff, and was in the habit of rereading and critiquing briefs he had already filed. Usually, he decided, "that was really quite good," Luhn said.

His secretary, Ginny Morrison, said Jacobson had spoken "passionately" about his bankruptcy-related cases. In the week before his disappearance and death, he was somewhat stressed, she said, but she attributed it to his busy schedule that week.

Jacobson had said that filing the lawsuits, in which he intended to name some very successful bankruptcy attorneys, was a "dangerous" move. Morrison said she took Jacobson to mean professionally dangerous, and that the experienced litigator did not fear for his physical safety.

When Jacobson was reported missing Aug. 16, his secretary and girlfriend were already wondering if his disappearance was connected to his practice. Jacobson was a precise, methodical man, not one prone to run off on a lark, or take the scenic route when a more direct one would do. When federal park officers found his body Saturday, his family knew it was no lark.

Jacobson was shot once in the head at close range. His body, still clad in his conservative dark blue business suit, white shirt and red tie, was found in a culvert near the Marin Headlands. Park police had noticed his car for several days but figured someone was logging on the nearby fire road.

Sausalito police are following up leads on two men who used Jacobson's credit cards just an hour after he left a meeting with client Paul Sosnowski at the Steamer's Gold restaurant in Petaluma. Police have released an artist's sketch of one of the men who purchased a \$31 watch at Treasures Jewelry on Bridgeway in Sausalito, just before the store's 8 p.m. closing time. They also hope to meet with FBI agents to find out what they knew about Jacobson's law practice and bankruptcy investigations.

Luhn said she is not sure how the proposed litigation may be connected to his death. "As far as I am concerned, it is still wide open," Luhn said.

Luhn and the family are stunned by the loss, and feel at times besieged by reporters hankering for details on the case.

"I don't like living with the uncertainty of not knowing," Luhn said. "I hope the police find something soon."

San Antonio, Texas Express

FBI, police investigate man's mysterious death

By JEROME P. CUREY

Express News Staff Writer

San Antonio police and the FBI are investigating the mysterious death of a disbarred lawyer who said he had the evidence to convict two men of multimillion-dollar bankruptcy frauds.

Police are investigating the St. Valentine's Day death of Gary Ray Pinnell, while the FBI is looking into the allegations of fraud in the bankruptcy courts here.

Pinnell, one friend said, was a brilliant bartender with an incredible memory, almost total recall, who was technically oriented for the law.

Disbarred lawyer said he had proof of bankruptcy fraud

But Pinnell got in trouble with the law.

In 1988, he pleaded guilty in federal court to embezzling \$38,137.49 from a bankruptcy account.

Pinnell served a year in federal prison and returned to San Antonio where he worked as a judicial consultant or paralegal. He could not return to the state or federal Bar because of the felony conviction.

In the months since he got out of prison, Pinnell, a devout Roman

Catholic, maintained in conversations with friends all over Texas that he paid for a venial sin that could not be compared to the daily (cardinal) sin of the bankruptcy courts.

Pinnell's decomposed body was found about 3 p.m. Feb. 14 in his rented apartment in the 1500 block of Babcock Road. He was wearing only underwear and socks.

On the same day, a friend in San Antonio

Dallas received a book from Pinnell entitled "Adam, Eve and the Serpent." An apartment worker reported seeing Pinnell about 1 p.m. Feb. 14.

One man, who works with business bankruptcies, said Pinnell told him he had evidence of fraud in the millions of dollars. Pinnell then cited cases and named two names, he said.

That conversation, said the man who asked he not be identified because he is afraid, occurred "about 10 days before Pinnell was hit. He said he was taking the information to the proper authorities. I don't

San Antonio Express-News, Feb. 24, 1991

FBI looking into Pinnell's fraud allegations

Continued from 1-B

think he ever made it," Ray A. Pinnell Jr., the dead man's father, said his son was supposed to talk with the FBI about the fraud allegations on the day his body was found.

Pinnell did not keep his appointment with the FBI, but at least part of the information he obtained eventually was provided to federal

agents.

The scared bookkeeper said the word "murder" was used by the FBI about Pinnell's death. He said neighbors in San Antonio and Dallas also used the word "murder."

Pinnell's father said, "We feel like there was a lot of foul play re- sulting in Gary's death."

However, Bexar County Medical Examiner Dr. Vincent DiGalo will

not issue a ruling on Pinnell's death.

Pinnell's body was decomposed — a process possibly hastened by a hot South Texas sun beating through glass patio doors into the area where the body was found. Positive identification had to be made through dental charts and X-rays, DiGalo said.

"The cause of death and manner of death are undetermined," DiGalo said.

Consequently, authorities can't rule out any manner of death.

"We can't rule out homicide by asphyxiation," means asphyxial epistaxis,"

Asked what that meant, DiGalo replied:

"Strangulation, smothering."

"Because of decomposition, we're going to leave the file open. There are unanswered questions. We're kind of at a dead end at this point."

DiGalo said there were abnormalities — evidence of a minor head wound, but definitely not a fatal injury; a slightly enlarged heart; but nothing that would indicate any hint of undetected heart disease; and a few drops of blood, a ligated stain on a bedsheet, drops on an expandable file found on a sofa. Authorities may never be able to make a ruling on the death, DiGalo said.

Pinnell was 39 and in good health except for chronic asthma that contributed to an evangelical zeal against smoking.

Friends said he would never have allowed a smoker in his home. But several cigarette butts were found in the apartment after the body was discovered.

Because of Pinnell's religion and his personality, friends and investigators said Pinnell could not have killed himself.

Ruling out all health and suicide as causes of death, Pinnell's death must have been murder, friends believe.

In the months before he died, he told his mother he had been recently bagging disturbing telephone calls. He would not tell his parents why these calls were disturbing.

"I think he wanted to protect me," his father said.

Author and expert available for radio and television appearances

Author of upcoming book

THE BANKRUPTCY CLUB *Justice Denied*

Author Virginia McCullough is available for appearances on radio and television on the subject of bankruptcy racketeering activities in the United States, and especially within the Ninth Circuit. How federal judges, attorneys, and trustees prey on unsuspecting Americans seeking temporary relief in Chapter 11 bankruptcy.

Subjects covered include:

- Tactics used by the club of trustees, attorneys and judges who prey on unsuspecting Americans seeking temporary relief in chapter 11, and then find themselves stripped of their life's assets.
- How chapter 11 filings are an almost automatic loss of hundreds of thousands of dollars of assets, to line the pockets of the bankruptcy racketeering club.
- How the federal judiciary protects the corrupt enterprise.
- How banks and trustees and lawyers take all the marbles.
- Case Histories.
- Why the creditors end up with nothing.
- The Bankruptcy Club steals from the little guy as well as the big guy.
- The denial of civil rights of freedom of speech, right to trial by jury.
- The U.S. Trustee as a solution to some of the problems.
- The success rate of cases run by trustees.
- How the Bankruptcy Club runs on Other People's Money.
- How the Bankruptcy Club steals from creditors and other people who are not in bankruptcy.
- How the trustees and attorneys become millionaires.
- How the debtor's own assets are used against him.
- How the intent of Congress is circumvented.

Author Virginia McCullough is completing her manuscript on one of the most sensitive judicial crimes in the United States.

For further information contact Virginia McCullough, telephone 415-862-2362 or FAX 415-862-0145.

FORTUNE PEOPLE



Dr. Brian gets ready to operate. But can he save UPI?

Nancy Hamilton
(202) 828-8638

Three Stricks?



James Robinson

press, running for? He's campaigning for something, exec-watchers say, citing as evidence Robinson's proposal of a sweeping plan to solve the global debt crisis.

Would you believe Secretary of the Treasury? While Robinson claims he's not looking for

ciate. "If you know Mrs. Reagan intends

To the rescue

For Dr. Earl W. Brian, the chairman of WNW Group Inc., his attempts to save United Press International must seem a bit like the old days as a surgeon in Vietnam. Long-suffering UPI has been hemorrhaging since 1986 under the ownership of Mario Vázquez-Raña, a Mexican publisher. For the past six months Vázquez's lawyers have been urging him to liquidate. At the 11th hour, Brian, 46, came to the rescue, agreeing to pay up to \$55 million for the right to manage UPI for the next ten years. Now comes the real operation.

And a smooth operator Dr. Brian is. While he hasn't practiced medicine since leaving Army service in 1970, Brian has capitalized on his medical degree. He worked first as director of health care services and later as secretary of health and welfare in California, under Governor Ronald Reagan. After an unsuccessful run for the Senate, he joined Xonics, a maker of X-ray equipment, as president. In 1978 the divorced Brian married Diana Vivian, a New York debutante. Two years later, he founded Biotech Capital, a venture capital firm that invested in medical

companies. Vivian's father, who put money in the company, was installed as vice president, treasurer, and secretary.

So why is Brian qualified to run UPI? "I'm probably not," he jokes. In the early 1980s Brian invested \$22 million in a fledgling cable television service he now heads: Financial News Network. Since then he has acquired interests in other electronic media companies, in 1987 changing Biotech's name to Infotechnology. Says Brian: "I decided a long time ago when I survived Nam to do what I felt like and have a good time."

Maybe a little too good. Over the years Brian has caught a lot of flak. Xonics was besieged by legal and financial problems. He was questioned in the special prosecutor's investigation of his old pal Ed Meese, and accused of using his contacts in the Reagan Administration to win federal contracts.

But he seems genuinely committed to breathing life back into UPI. He notes that recent efforts to better market the wire service's information were "too little, too late." The surgeon's knife may go deep: "We must do far more significant alterations if this company is going to survive."

1988
18
1970 Sec. of Health
under Gov. Reagan

dozens of speeches, met with Secretary of Education William Bennett, and testified repeatedly before Congress. His cause: improving the education of disadvantaged children.

Why? A study released in September by the Committee for Economic Development, entitled "Children in Need," highlights the enormous impact the preschool years have on later learning and warns of the urgent need for better prenatal care. Butler headed the study. "We conclude

gering the world wait, kids, start will be

Other joining Renier eyew Six gun that elim ment

Owen Butler goes knocking on doors to press

WedTech
WNW Group Inc
BioTech
Infotechnology
UPI
Hadron, Inc
Xonics

Neuro
Surgery

Rebecca

AGE
AFY
ED
A'S

'Private sector' problems

So why isn't everybody happy? "It's just common sense," says Butterworth. "If you're going to have a \$1 billion cash, unregulated industry in this country, it's going to be ripe for organized crime." That suspicion has plagued the infant industry since its inception. The federal government, moreover, has helped give it credence. Through a particularly thorny Catch-22, the government has pushed some tribes into the arms of the very investors that Butterworth wants to keep off his turf.

When the Seminoles were looking for start-up money, they went first to the Bureau of Indian Affairs; the bureau turned them down because it deemed the investment too risky until the games had survived a court test. The Indians then struck out with private bankers, because with all reservation land in trust with the U.S. government, the Indians have no collateral. Backed against the wall, the Seminoles finally borrowed from anyone who would put up money and traded away 80 percent of their future profits in the deal. (That figure was later renegotiated down to 45 percent.)

"The irony," says former tribal attorney Stephen Whilden, "was that in 1982 the Supreme Court ruled on *Seminole v. Butterworth* and for all practical purposes ended the risk. So now the government would be willing to loan the money or guarantee the loans, but the money's not there because the new administration cut those programs."

The "private sector" has been delighted to fill the void. Investors have formed ad hoc bingo management firms (which dissolve and reappear with astonishing speed) and are scouring Indian country for receptive tribes. The bingo brokers put up the money in exchange for about a 40 percent interest for anywhere from 7 to 20 years.

Some of the people showing up on management contracts have given local law authorities pause because of their former connections with reputed mob figures. Two of the five general partners who started Seminole bingo, for example, were once co-stockholders in a Miami hotel with the late Meyer Lansky. Two principals of New England Entertainment Co., which originally managed the Shakopee Mdewakanton Sioux hall, between them had felony convictions ranging from conspiracy to defraud the government to forging Treasury checks. In South Florida, two convicted felons registered a new bingo management company with the Securities and Exchange

Commission, but couldn't get it rewriting. While neither local officials nor the FBI have proven links to organized crime in these cases, the aroma of corruption persists.

Former Seminole attorney Whilden, who is now something of a bingo mogul, says he can't dispute that large amounts of cash tend to attract people who want to steal it. "That explains why people rob banks instead of Christian Science Reading Rooms," he smirks. "Butterworth's answer was to throw the baby out with the bathwater—let's have no money on the reservation and then organized crime won't want to go on the reservation." The reservation said, "we don't like that solution." The Indians' attitude is, "we've never been rich, but we think rich would be better."

G-man inertia

While guilt in South Florida exists mainly by association, at another gaming tribe, the Cabazon Band of Mission Indians in California, the issue is more clear-cut. The victims, moreover, have been the Indians themselves.

In late June 1981, tribe member Alfred Alvarez and two friends were killed execution style, one bullet to each head, shortly after Alvarez started publicly accusing the Cabazons' bingo management company of wrongdoing. Alvarez had been vice chairman and security chief for the tribe and loyal to the Cabazons' white business adviser, John Philip Nichols. One month before his death, Alvarez gave a series of interviews to the local *Indio Daily News*, charging Nichols with skimming money from the bingo hall and casino. Alvarez told the paper "my life is on the line." "He began to call me at night," says his sister, Linda Streeter, who had opposed Nichols, "and tell me that, unfortunately, I probably was right. He had started digging into the paperwork in the office at night, and he was finding very unusual things to do with coal deals from Kentucky and gold deals from foreign countries."

For three years, Streeter badgered local authorities, the BIA, and anyone who would listen. Finally, in June, she persuaded California Governor George Deukmejian to appoint a special team to look into possible organized crime involvement in the murder. Streeter has claimed all along that a former tribal employee told her he had made the payoff for her brother's assassination. The California Department of Justice investigative team, however, was ready to close the case after a cursory review. State in-



LONDON

FAX COVER SHEET

TO:

LT. Coluzzi

FROM:

LINDA MACK

DATE:

APRIL 25 1991

PAGES

(including cover)

3

MESSAGE:

A Scandal Struggles to Be Born

A case that involves as much stonewalling as Watergate and as much intrigue as Iran-contra is a nasty fight between the Department of Justice and a family-owned company called Inslaw over custody of computer software. It is going into its eighth year and its fifth judge. Three judges recused themselves. Chief Judge Aubrey E. Robinson Jr. of the U.S. District Court has just taken the case, but so grudgingly that you wonder if justice, or even resolution, can be hoped for.

Robinson has been involved before in the long struggle. In June 1988, he ordered a halt to all discovery, or factfinding, in the matter while a Justice Department appeal was pending. Then last November, he gave voice to the universal aversion on the part of judges to find out if William and Nancy Hamilton, the principal owners of Inslaw, are a pair of paranoids masquerading as a wholesome, friendly midwestern couple or victims of government gangsterism. Justice first refused to pay them for their software and then tried to drive out of business.

His Honor once said in assigning the case to a Baltimore bankruptcy judge that "Judge [James F.] Schneider probably doesn't want it any more than anybody else wants it." He said of his attempt to give the matter to the Alexandria courts: "They wouldn't touch it with a 10-foot pole."

After mulling it over for 2½ years, Schneider recused himself, citing "potential conflicts relating to decisions yet to be rendered."

Why judges are so leery about taking the case is not clear. It is a scandal that will not die and one that is, after eight years, struggling to be born. Present occupants of the bench apparently do not wish to follow in the footsteps of Judge John J. Sirica, the boat-rocker who lifted Watergate from "third-rate burglary" status to political earthquake.

Inslaw has some volatile ingredients. A present and former member of the National Security Council have been named as parties. It has big names: Elliot Richardson, Watergate's most distinguished alumnus, represents Inslaw. It has big money: The Hamiltons say Justice owes them \$6 million for the software and \$9 million in legal fees. It has world-wide ripples: the Hamiltons say cronies of former attorney general Edwin Meese III pirated their product and sold it to the Canadian Mounties and the intelligence services of Israel, Korea, Iran and Chile.

Attorney General Dick Thornburgh, who inherited the mess from Meese, is showing himself as stalwart a stonewaller as his predecessor. He has refused to turn over 200 documents to Rep. Jack Brooks (D-Tex.), chairman of the House Judiciary Committee, who last December held a public hearing on Inslaw in the hope that Congress could do what the courts couldn't—decide if this was a contract dispute out of control or a world-class case of government malice and malfeasance.

In a letter to Brooks, who is formidable on matters of individual rights, Thornburgh wrote of the Hamiltons as people who "found it profitable to spin multiple conspiracy theories to whomever will listen."

Two judges, nonetheless, have decided in their favor. Judge George Francis Bason Jr. of U.S. Bankruptcy Court charged that the Justice Department had stolen Hamilton's software and tried to sink his company.

His testimony was uncommonly forthright. He called one Justice witness "demonstrably unbelievable." He cited "trickery, deceit and fraud."

Judge Bason was not reappointed when his term was up. He was, however, upheld by District Court Judge William B. Bryant.

The Hamiltons have lately come into an affidavit of dynamite potential. It is from an adventurer-entrepreneur named Michael J. Riconosciuto, a scientific genius who at age 10 strung up an alternative telephone service in his Spokane neighborhood. He is "no choirboy"—he was convicted 20 years ago of drug manufacture. He claims that in February he had a telephone conversation with a Justice Department official who warned him against cooperating with the Judiciary Committee. The official threatened him with criminal prosecution in a savings and loan case if he did and promised him a favorable outcome in his wife's child custody case if he didn't.

Riconosciuto would make a colorful witness. He was engaged in manufacturing munitions for the contras on an Indian reservation. He used Inslaw's software, which he said he got from Earl W. Brian, a member of Ronald Reagan's cabinet when he was governor of California and an intimate of Meese. Brian denies Riconosciuto's claim.

But Riconosciuto says he has a tape of his talk with the Justice official. If so, the Inslaw case may at last get the attention it deserves.

Elliot Richardson and the Judge

The last time anyone in the U.S. government tried to get rid of Elliot Richardson, the effort was entirely successful and dreadfully expensive—eventually it cost Richard Nixon the White House.

That, of course, was on Oct. 20, 1973, when then-President Nixon ordered the then-attorney general to fire Watergate special prosecutor Archibald Cox. Richardson's code did not permit him to bounce a friend, mentor and fellow Bostonian who had done nothing wrong beyond trying to find out what Nixon was up to in the White House. He resigned, and the rest is history.

Now the Justice Department of Dick Thornburgh is trying to fire Richardson from the messy Inslaw case. It is easy to see why. The mere name of the former secretary of just-about-everything rings bells, attracts press, invites suspicion that the department did something wrong in its dealings with the firm from which it bought software that has turned up all over the world—sold, say the owners, by cronies of Edwin Meese III.

The case has dragged on for years.

One witness has recanted, another is in a Washington state jail, a third, in Canada, seems to have disappeared, at least from government, where he worked. Justice refuses to give documents to William and Nancy Hamilton, the husband and wife who are principal owners of Inslaw, or to House Judiciary Committee Chairman Jack Brooks (D-Tex.), who is looking into the matter. Three judges have recused themselves from the case. A bankruptcy court judge named George Bason Jr. who found in the Hamiltons' favor—he accused Justice of "trickery, fraud and deceit" in stealing the software—was not reappointed.

He also ruled that Richardson's firm and Richardson himself were disqualified, because his firm was an Inslaw creditor and Richardson had been a witness before him.

Justice, in pointing out this fact in a letter to Aubrey E. Robinson Jr., chief judge of the U.S. District Court here, who is now reluctantly presiding over a bypath of the case—the Hamiltons' right of discovery—expressed the hope that Richardson would not speak in court.

He stood up, his clean jawline and rosy cheeks unchanged by the years, and walked slowly to the lectern.

"May I address the court?" he asked.

Robinson, who has expressed his intense aversion to the case, said testily, "I had not expected you to."

Richardson was soothing. "We know it is unusual, but the circumstances are unusual. What I seek to do is to focus on some of the mists surrounding the information."

Much of what his honor said was inaudible. Like most federal judges, he leans away from the microphone, but his body English, and the tone of his voice, conveyed his intense exasperation with having gotten stuck with the case that one witness, who has since taken it back, said was "another Watergate." Robinson has no desire to be another John J. Sirica, the night-school law graduate district judge who cracked Watergate.

"I am not prepared to charge the government with obstruction of justice," Richardson said suavely—and went on to allege the Justice Department's use of "every conceivable means to prevent the facts from coming out."

"I don't understand how this is helpful at all," Robinson said brusquely. "I am not going back to '83, '84, '85."

Richardson, undeterred, pressed on. He spoke of an internal Justice Department investigation, which called only one of the 30 witnesses that the Hamiltons say could bolster their claim that Justice stole their software.

The judge stirred and frowned. Richardson, knowing that Robinson hardly wanted to sit him down, as he might have another lawyer, spoke of an affidavit by Ron LeGrand, who in late April 1988 told him and Charles Work, the counsel of record for the Hamiltons, that the case was "a lot dirtier than Watergate in breadth and depth"—and recanted it 10 months later.

Robinson interrupted and railed steadily. But something Richardson said must have gotten to him. Maybe when he spoke of the "highest responsibility" of government lawyers, of the "strict standards to which government must be held."

Whatever it was, the judge ruled in the Hamiltons' favor. They can have 30 days of "limited discovery" to find out what happened. Robinson didn't ever say whether Richardson is disqualified. Given his exasperation with the case, he doubtless hopes he doesn't see the connoisseur of coverup in his court again soon—or hear him.

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